उपसभापति : सामान्यवती हो रही है ।

श्री शंकर दयाल सिंह . . ये आज मांगलिक परिणय सूत्र में बंधने जा रही हैं । हमारा फर्ज बनता है, क्योंकि हमारे साथ में बैठती हैं, चंद्रिका केनिय और श्री अभिनन्दन जैन दोनों का मांगलिक परिणय होने जा रहा है । महोदया, मैं समझता हूं कि यह किसी के भी जीवन में एक पुनीत घड़ी होती है । इसलिए इस अवसर पर हम उनको अपनी शुभ-कामनायें अर्पित करते है कि दोनों का जीवन सुखी हो, मांगलिक हो और आपसे अनुरोध करते हैं कि हमारी ये भावनाएं उन तक पहुंचा दें । पार्लियामेंटरी एफियर्स मिनिस्टर यहां बैठे हुए हैं, वे हमारी ओर से शुभकामनाओं के साथ साथ कुछ उपहार भी वहां पहुंचा दें ऐसा मेरा अनुरोध है ।

श्री प्रमोद महाजन (महाराष्ट्र): उपसभापति महोदया. . . (**व्यवधान**)

संसदीय कार्य मंत्री (**श्री गुलाम नबी आजाद**) : शाम को उनका इनविटेशन है सब पार्टीली वहां जाएं ।

THE DEPUTY CHAIRMAN: I agree with you. Every Member will attend personally... (*Interruptions*)...

श्री प्रमोद महाजन : उनकी भावनाओं से मैं सहमत हूं । लेकिन सदन की गरिमा को देखते हुए इस प्रकार की शादी और विवाह और उसका अभिनंदन, यह रिकार्ड का हिस्सा बने यह अच्छा नहीं है । (**व्यवधान**)

उपसभापति : एक मिनट बैठ जाइए ।

श्री शंकर दयाल सिंह : उपसभापति जी . . . (**व्यवधान**)

THE DEPUTY CHAIRMAN : please sit down... (*Interruptions*... शंकर दयाल सिंह जी कम से कम किसी की शादी पर तो विवाद मत करिए । इस हाउस की तो प्रथा पड गई है हर चीज पर विवाद हो जाता है (**व्यवधान**) बोलिए शिव शंकर जी ।

श्री पी० शिवशंकर (**गुजरात**) : इससे माथुर साहब को प्रेरणा मिलेगी (**व्यवधान**)

उपसभापति : पटेल जी आप बोलिए

THE BUDGET (GENERAL) 1992-93 Contd.

SHRI VITHALBHAI M. PATEL (Gujarat): Madam, the Budget presented by the Finance Minister is according to times. According to the present condition that prevails in the country, provisions have been made in the Budget. There is very little scope for criticism. But some Members have criticised the Budget for the sake of criticism. Personally, I would like to tell the Finance Minister that he does not need to reply to the criticisms about the World Bank and the IMF. They are unnecessary criticising and he need not reply. A number of times I have seen the Finance Minister giving replies to the criticisms about the World Bank and the IMF. Mr. Finance Minister, totally ignore such ciriti cisms and go ahead with your programmes. About the Budget that has been presented certain action needs to be taken. Firstly, there should be drastic cut in Government expenditure. Mr. Minister, if you fail in reducing the Government expenditure you will not succeed in curtailing inflation and the prices will go un. We would like to know what kind of action you are taking to reduce Government expenditure. So, first you should start with trying to cut expenditure and the bureaucrats will not help you in this as far as I know. I would also like to draw your attention to the unnecessary expenditure incurred by some of the Government institutions. I can give you one example. The ONGC has its headquarters in Dehradun. Oil is produced in Assam, Gujarat, Bombay-High and Godavari. The ONGC officials have travelled by air 5800 times in one year from Dehradun to other parts of the country. They have travelled by air 5800 times and more than 3000 times by AC. Why are you having the headquarters in Dehradun ? You can save lakhs of rupees by shifting the headquarters either to Bombay or some other place from where they can move easily. The officials have to take a car from Dehradun to Delhi, then they travel by air. Lot of money is spent unnecessarily. So, if you want to curtail Government

[SHRI VITHAL BHAI M. PATEL] expediture, such expenditure will also have to be cut. You could close down ONGC headquarters at Dehradun.

We have a big office in Delhi also. We have a big office at Bombay. We have a big office in Ahmedabad. There are big offices in the South also. Why should the headquarters be at Dehra Dun? Lakhs of rupees are being wasted every year and they use helicopters also. Can we continue to afford this in the present state of affairs ? Please take care of this. What steps they are taking to..Neither of the Finance Ministers is listening.

THE DEPUTY CHAIRMAN : Both the Finance Ministers should pay kind attention.

SHRI VITHALBHAI M. PATEL : Neither of them is listening. How can they improve the economic situation of the country ?

उपसभापति : विठ्ठलभाई जी आप फिक्र मत कीजिए कोई तो सुन रहा है। कोई नहीं सुन रहा है । मैं तो सुन रही हूं पूरी बात । दोनों कानों से सुन रही हूं ।

SHRI VITHALBHAI M. PATEL : So, you should take steps to see that the ONGC's expenditure is reduced. The ONGC is also wasting foreign exchange. They do not use the products available indigenously. They are importing such products which are available here. So, you have to check such imports also if you want to save foreign exchange.

Another thing is that the Salt Commissions Headquarters is at Jaipur where salt is not at all produced. Salt is produced in Gujarat and other States. How much salt is being produced in Rajasthan ? So why should the headquarters be in Rajasthan? It should be where the salt is being produced. But nobody is willing to shift the headquarters to Gujarat because Gujarat is a dry area. Nobody wants to go to Gujarat.

SHRI VIREN J. SHAH (Maharashtra): Why is it dry ? Please explain in which way it is dry so that it will be understood properly.

SHRI VITHALBHAI M. PATEL : They don't like to go there. I can also give you an example of the Western Railway Headquarters. There is no Western Railway in Maharashtra. The Western Railway is in Gujarat, Rajasthan and Madhya Pradesh. But the headquarters is at Bombay. Bombay is a congested city. If you shift the headquarters to Rajasthan, it will be easy for the people to go there. Also the *babus* always go in saloon coach and the Railways have to bear the expenses incurred on it. These people go for inspection work and other things. You can curtail such expenditure also. You have become the servants of bureaucrats. IAS officers are the worst people. The Finance Minster and the Prime Minister say that 1,000 postswould be abolished They have not succeeded in reducing even a single post. Even if some offices are closed down, the staff are to be accommodated somewhere else. Unless and until you become strict with the bureaucrats, you are not going to succeed.

I want to congratulate the Finance Minister, Dr. Manmohan Singh and his practical approach on the royalty. Gujarat and Assam have been demanding reasonable rates of royalties since very long. The Minister as a matter of principle, says, 'yes'. But when it comes to the bureaucrats, they are ruling the roost. The bureaucrats do not follow the notings of the Minister. On the royalty of crude oil, Dr. Manmohan Singh has said that the demand of the State is genuine. The selling price of the crude oil is Rs. 3,651 per tonne. With the entitlement of 20% royalty, it comes to Rs. 730. But we are paid only Rs. 314 per tonne. So, the royalty on crude oil and gas must be according to the selling priceand not on the whims of the bureaucrats. Therefore, I hope the honourable Finance Minister will increase the royalty for crude oil and gas.

My next point is about the figures of employment or unemployment. So manyf things are said about there being a lot of unemployment. I agree there is unemployment. But the figures which are provided by the employment exchanges are totally false. If you check up, if you make a sample survey, you will know the correct position. Take, say, 25 cities in the country. Take names of the unemployed who are registered in the employment exchange. Go house-to- house. You will find 60 to 70 or 80 per cent of those people are employed somewhere or other. They do not remove their names from the unemployed registers. They continue keeping their names in the employment exechange for getting better jobs. So, those people cannot be said to be totally unemployed. Therefore, Mr. Finance Mi, nister, please find out the correct picture find out about those who are already employed in some position somewhere or other and yet their names are continued on the employment exchange registers.

These are all bogus figures. Don't go by the bogus figures. Don't make your arithmatic on the basis of these bogus figures. First find out how many are really unemployed in the country.

Then, you have increased the income-tax exemption limit a little bit, not heartily.

भाई, दो तो प्यार से दो, नहीं तो बिलकुल मत दो । थोड़ा इन्क्रीज करिए और जो डिडक्शन है वह भी अलाऊ करिए । डिडक्शन को हम वापिस लेते हैं तो इन्क्रीज तो बढना था । एक हाथ से देते हो दूसरे हाथ से ले लेते हो यह धंधा मत करो ।

दो तो आराम से दो, प्यार से दो और ईमानदारी से दो । आप तो एक हाथ से थोडा सा देते हो और दूसरे हाथ से ज्यादा ले लेते हो । यह परम्परा नहीं है । करो, तो ठीक ढंग से जो करना है, वह करो ।

दूसरे कुछ कस्टमस ड्यूटी में आपने दो हजार करोड़ का रिलीफ दिया और एक्साईज में 2200–2300 करोड़ बढा दिया और उसमें सीमेंट भी आ गया । मुसीबत से एक आदमी मकान बनाता है और आप एक साथ पन्द्रह रुपए सीमेंट के बैग पर ले लेते हो । तो पंद्रह रुपए तो वह भी नहीं कमाता होगा, जो बनाने वाला है, मैनुफैक्चरिंग कंपनी वाला भी नहीं कमाता होगा । मुझे पता है कि हमारे यहां डीलर पचास पैसे से एक रुपए तक कमीशन पर सीमेंट बेचता है और आप सीधे पंद्रह रूपए पर बैग ले लेते हो । आप कुछ मेहनत तो नहीं करते और सीधे पंद्रह रूपए पर बैग ले लें तो यह भी ठीक नहीं है । इसलिए एक्साईज भी थोडी आपको कम करनी चाहिए पंद्रह रुपए बहुत ज्यादा हैं ।

दूसरे पब्लिक सैक्टर अंडरटेकिंगज के बारे में आप पब्लिक सैक्टर अंडरटेकिंग को—

You will not be able to make viable at least 98 public sector undertakings in any way. And you have no courage to close them either. Then ask the workers to take over. You have said, whatever the loss, you are not going to take them back you are prepared to hand them over to the worker. The workers should be ready to take them over. You must produce more if you want to bring the prices down, the inflation down, the deficit down. You must produce more and you must reduce the Government expenditure. And to produce more you must implement the policy of linking the wage with the productivity. Until you link the wage with the productivity, you are not going to succeed in this country. Here the trade unions are teaching the workers about their rights but not about their responsibilities. They are not interested in the country's betterment. They are not willing to give up their leadership Unless they ask the workers to produce more, there cannot be any progress in the country. Our per worker production is much less than that of other countries. Some people have spoken about the reservation policy also. I think reservation now is becoming a luxury and it has become a right. You implement reservations. But the person must work for whatever he gets. Merit should not suffer. At the cost of merit you should not do this. Do not divide the poor people. In the matter of reservation, economic criteria must be adopted. In order to help one group of people, do not create another group of poor people. Anybody who is poor, whatever may be his caste or creed, must be given the benefit of reservation. Give the benefit of reservation to all those who are poor instead of giving it to a particular caste. Many people who have reaped the benefits of reservation, the SC and ST people, have become very rich. Why should Mr. Shiv Shanker's sons and daughters get the the benefit ? Why should Mr. Shankaranand's sons and daughters get the benefit? They are all very rich people. So, why should they get it ?

SHRI YASHWANT SINHA (Bihar): Quite right.

SHRI VITHALBHAI M. PATEL : So, the economic criteria should be there. Even the millionnaires in the backward classes, their sons and daughters, are taking advantage of this. Why should they get this benefit ? The benefit should go to the really poor man, whatever be his caste. Caste should not be taken into consideration at all. So, the criterion of caste will have to be changed. It has become a vested interest, I know of some men and women in the backward classes who have become doctors and engineers without any merit. Everything is going on at the cost of merit and this should not be allowed.

[Shri Vithalbhai M. Patel]

कहां तक चलायेंगें यह कहां तक चलेगा? 40 साल से तो चलता आया है । कुछ इम्प्रूमेंट तो होता नहीं है । तो यह भी देखना पड़ेगा ।

SHRI S. JAIPAL REDDY (Andhra Pradesh) : Just kindly yield for a minute. You have been referring to the question of reservation. Of course, I do not agree there. But how is it relevant to the discussion on the Budget ?... (*Interruptions*)...

SHRI VITHALBHAI M. PATEL : Why not ? ... (*Interruptions*)...

SHRI N.K.P. SALVE (Maharashtra): Why not ? Anything can be discussed. Anything under the sun can be discussed in a debate on the Budget.

SHRI JAGESH DESAI (Maharashtra): The Budget provides money for the Services and he talks about reservation which is in the Services. So, he can speak... (*Interruptions*)...

SHRI RAM AWADHESH SINGH (Bihar) : He can speak. He can speak about anything in the Budget discussion ... (*Interruptions*)...

SHRI M. PALANIYANDI (Tamil Nadu) : Mr. Reddy, how was it relevant for your leader to speak about the Budget in the discussion on the President's Address ?

SHRI VITHALBHAI M. PATEL : Now, I come to the question of the Urban Land Ceiling Act. Only after the Urban Land Ceiling Act came into force, the Builders lobby was created in this country. Before that, there was no business lobby at all and there was no builder and everything was going on smoothly Because of the Urban Land ceiling Act, the farmers were forced to sell thier lands at throw-away prices and the builders were benefited by that. You should straight away scrap the Urban Land Ceiling Act because it only promotes corruption. The bureaucrat takes the money, the politician takes the money, and the poor farmer suffers because he is loosing his land. So, Mr. Minister, you should scrap this Act forthwith. The poor farmer is producing for the country and his interests should be protected. Or, there should be a clause in the Act to the effect that it is left to the will of the farmer only, that nobody can straight away snatch away the land from the farmers for industry or for any other purpose. As it is, the farmer is a poor man, he is cheap, and so, you can take away his land anytime you like or put any restriction you like. Today, this Act is helping only the builders and the poor farmers are not at all benefited. Now is the time to scrap it.

There is one more thing which I want to mention here. Mr. Minister, you know that there was a gold delivery centre in Ahmadabad and it was working very well. It was a profit-makirg unit. But your Mint in Bombay had some vested interests and, so, they wanted this to be closed down. I wrote to the Minister of Finance saying that this was not a losing unit, but a profit-making one, and this should not be closed down. The Finance Minister did not reply to me and straightaway ordered to close down the Gold Delivery Centre. What is this going on? You want to continue a sick unit, but you want to close down a profit-making unit, the Gold Delivery Centre and even without replying to my letter? Nowadays, you have liberalised the gold policy and you are allowing gold through NRI- And my State has the maximum number of NRIs who will bring gold. And at that time, a gold delivery centre will be badly needed, not only in Ahmedabad but also in Baroda and Rajkot.

AN HON. MEMBER: Kerala also.

SHRI VITHALBHAI M. PATEL: In Kerala, there is no gold delivery cene. The Mint is in Bombay because there is a vested interest of the Mint people. You please see that the Gold Delivery Centre starts again because you are going to announce gold bonds also. So, where will you collect the gold? Will the people go to Bombay to give gold? When you decide on gold bonds, Mr, Finance Minister, will the people go to Bombay to sell gold. So, you must keep the Gold Delivery Centre open. It will help you in future because lots of goldsmiths and jewellers are taking advantage of that centre. But because of officers whims you are closing it down. Then, about the SEBI, the power is kept with the Finance Ministry. You can dismiss anybody at any time you like. So, you give autonomy to the SEBI. Let them function with autonomy. And in the SEBI, investors' representation should also be there. Mr. Finance Minister, today the SEBI is full of bureaucrats. Some representatives of the investors should also be there so that the investors' interests can be looked after. I hope you will consider this suggestion carefully. Madam, I thank you for giving me this opportunity..

THE DEPUTY CHAIRMAN: Mr. Kamal Morarka. Are you going to speak all the 56 minutes or you will reduce.

SHRI KAMAL MORARKA (Rajasthan): Madam, for the first time the Government claims that it has produced

a revolutionary Budget. So, any time that one can speak on it is short. I try to cover as many aspects of the Budget as possible. I hope the House will bear with me.

Madam, at the outset, let me express my absolute surprise at the all-round euphoria that this Budget has created. I think it speaks volumes of the very clever presentation of the Finance Minister, the way he made his Budget speaks, the way he has presented the figures. Let me say, in the sheer skill of communication, he has succeeded because all around we hear praise of the Budget. When I say all around, please do not mistake me that the majority of the countrymen are praising this Budget. It means an excellent public relations exercise by which all the vocal sections have been impressed at the first instance. As we go along, I will show that even these sections have by now started having doubts on the efficacy and the actual contents of the various proposals.

Madam, the Budget when it is presented, is actually in three parts, though Part A&B are the two parts presented. Part B is specifically of taxation proposals. Part A consists of two parts actually-one is the figures of the macro-economic situation, revenues, expenditure, capital expenditure, etc. The more important part is the social philosophy of the Government which is unfolded in the various paragraphs of the Budget Speech. The Finance Minister has been kind enough to say in his Speech that in a country of 850 million people, there are only 7 million assessees who pay tax. That means, one per cent or less than one per cent of population is tax-paying population. It is a natural corallary, therefore, that what ever chagges you make in the tax structure whatever concessions you may give, whatever rationalisation you may do, whatever simplications you may do, will affect favourably or adversely only one per cent of the population. This is as far as the direct taxes go. Unfortunately, year after year, most of the discussion is centered around this part of the Budget as to which exemption limit has been increased, which savings shelter has been given or withdrawn, and most of the discussion is focussed on that. Madam, thanks to the two Governments of 1980 and 1984. The country has been forced to think beyond this. The country has been brought to a macro-economic collapse. Before 1980, I have no hesitation in saying that though I have been in business and industry, I never looked at the Budget beyond taxation proposals, because everything else looked quite steady After 1980 let us take the first thing which is being talked of - a new word has come in the national vocabulary, that is, fiscal, deficit.Every body appears to be talking of the fiscal deficit, how in the last year it had been brought down to 6.5 per cent and next year it is going to be brought down to 5 per cent. Let us deal with that. We, at that time in the opposition, have been making two demands: (1), the revenue deficit should be brought down; and (2) that borrowings should be limited, if necessary, by invoking article 292 of the Constitution.... *(interruptions)*. You will have to bear with me.

SHRI VITHALRAO MADHAVRAO JADHAV (Maharashtra): During your time everything was in deficit.

SHRI KAMAL MORARKA: How will you understand unless you hear me?

SHRI VITHALRAO MADHAVRAO JADHAV: When your party was in power what was your performance? Now you may criticise us; we will not bother. But what was your performance?

SHRI KAMAL MORARKA: I have not even criticised you. I am discusing the fiscal deficit, how it is also to be brought down. And that was the promise of my friend, Mr. Yashwant Sinha. How can I criticise? But you must listen. At least hear me; you may not understand me but hear me.

SHRI VITHALRAO MADHAVRAO JADHAV: You cannot say like this. We are economic experts. How can we not understand?

THE DEPUTY CHAIRMAN: Mr. Jadhav, we know you are present in the House today. You need not make it obvious.

SHRI KAMAL MORARKA: I must confess at the outset that I do not have the advantage of speaking from a position of advanced ignorance as my friends on the other side I will try within the limits of my knowledge to be able to say what I mean.

SHRI VITHALRAO MADHAVRAO JADHAV: But at present they are not ignorance; it is their advanced ignorance.

डा० बापू कालदाते (महाराष्ट्र) : आपकी अंग्रेजी ऐसी है जिससे शायद इनको एडवांस का मतलब समझ में नहीं आया ।

श्री विठ्ठलराव माधवराव जाधव : आपकी अच्छी है, तो आप बता दीजिए । ... (व्यवधान) ...

SHRI KAMAL MORARKA: Multilateral institutions of the world have, therefore, fixed fiscal deficit as a ratio which takes care of both the things, the budget deficit as well as the borrowings. It represents the total expenditure of the government less the revenues. So they believe if fiscal deficit is under control, economy is in good health. But we are Indians; we are very innovative. While meeting that criteria also we can find a way which they never dreamt of. What have we done? We have met the figure of 6.5 per cent; in fact, a little less; but instead of controlling out revenue deficit, we have cut on our capital expenditure. This is an innovation which the poor Americans could not dream of. This In-Indian mind is so fertile that it can find a way even out of the formulas which they have made time-tested which they have applied to so many Latin American countries. But we are Indians; our economicsts are second to none in the world. We have found a way whereby we fulfil their criteria and yet will be going on doing what we are doing. Our profligacy does not stop. What is happening in the bargain? We are mortgaging our tomorrow and the day after for our profligacy of today.

Madam, take the fiscal deficit first. What is this magic figure of 6.5 per cent? There is one myth. I was astounded when no less a person than Mr. Manmohan Singh, in answer to an innocuous question on external debt, got up to say that there was nothing basically wrong with the country's economy, that it was only because of the manner in which it was managed in 1990-91 that we got into the trouble. Mr. Manmohan Singh is an honourable man, I cast no aspersions either on his knowledge intelligence, or, integrity. But politics does strange things to strange people.

SHRI V. GOPALSAMY (Tamil Nadu): Are you quoting Shakespearean language?

SHRI KAMAL MORARKA: The fiscal deficit from 1980-81 to 1983-84 were, respectively. 6.1 per cent, 5.4 per cent, 6 per cent and 6.3 per cent. Problems have started from 1984-85. I do not have to enlighten anybody as to what was the significant thing that took place in that year in the Indian polity. What are the ratios after that, in the Seventh Plan period? These were: 7.5 per cent, 8.3 per cent, 9 per cent, 8.1 per cent, 7.8 per cent and 7.9 per cent. These were up to 1989. Mr. V.P. Singh had not come on the scene by then. Mr. Dandavate had had no dubious distinction of tinkering with the finances of the country. It was only in the regimes of the briliant Finance Ministers.

Madam, those earlier Governments could think that they did what they thought was right for the country. But the facts are there. Let us sift facts from fiction. You can say 'We took a view that this policy was good for the country'. You can take a view 'We thought the exports would pick up'. But you cannot take a view that you did put the country on the debt trap. You cannot take a view that till 1989, everything was hunky-jory and that things went wrong only in 1990-91. You cannot take that view. You cannot play with facts. I am quoting from the Reserve Bank of India Bulletin. Therefore, there can be no dispute in regard to the facts. (*Interruptions*)

Then, Mr. V.P. Singh came on the scene It was in this situation they came to power. This was what they had to inherit. This was what Mr. Madhu Dandavate inherited., as Finance Minister. What did he do? Yes, He was guilty of two things. One he should have compressed the imports totally. He should have put a guillotine on the imports. He did not do that. Partly because, he was a mild man. Partly because,his Prime Minister was also a part of the liberalisation process. It takes time But he was not guilty of profligacy. He was guilty of not doing this. He was not guilty of doing anything wrong. All that he did was, he prepared a Budget, trying to control the Budget deficit. Alas, things went wrong because of Saddam Hussain, not because of anybody here. The oil price shot up. All his revenue calculations went haywire, and whatever he budgeted in his conservative way, he could not fulfil.

Anyway, his Government fell. Mr. V.P. Singh's Government fell. In came Mr. Yashwant Sinha. What did Mr. Yashwant Sinha do? He took the two steps necessary which any prudent Finance Minister would have done. Even if Mr. Manmohan Singh had taken over, he could not have done anything better. First, he went immediately to the IMF and said: 'Look, we are in a difficult position. Lend us some money'. Secondly, he compressed the imports. Mind you. When you go to a banker and you want some money, he would say 'Raise some of your own capital'. Therefore, he did impose tax-mid-year tax-in December, 1990. Tax on whom? Not on the poor. Not on the common man. On the corporate sector. He raised some money, got some money from the IMF, and set the ball rolling. Mr. Manmohan Singh is right. He says that had Mr. Yashwant Sinha presented the Budget on 28th February, 1991, the position would not have been that bad.

1.00 P.M.

I agree with that. Everybody knows that we were a Government of 54 people, minority Government with majority support. Why could the Government not present the budget? That is because the majority support was not forthcoming. Then what is the best thing we could do? We presented a Vote on Account and in that we had said that the fiscal deficit will be pegged at 6·5 per cent. All that Mr. Manmohan Singh has done in July 1991 while presenting the budget, is a continuation of the policies set in motion by Shri Yashwant Sinha.

I hope this puts the record clear as far as the legacy is concerned, what we inherited, what macro-economic problems had taken place between 1980 and 1989, during the period of the Prime Ministers of those two Governments, who are no more alive. I will not speak a word about them. I am not for making personal allegations against people even if they were alive even more so when they are not here to defend themselves. I am not apportioning blame, but in your over-enthusiasm, over-anxiety to prevent a blot on them, do not falsify history, do not falsify facts. The facts are that by 1989 we had become indebted to a degree of more than our repaying capacity. That is a fact of life The external debt which used to be 11·7 per cent of the GDP became 24 per cent in that period. It is another matter, you can still turn round and say that 24 per cent of the GDP is a sustainable figure, you could export more. Stand up, be confident and have courage to say that. Do not blame the V. P. Singh and Chandra Shekhar Governments. That is running away from the reality.

SHRI N. K. P. SALVE: He is speaking with facts and figures. Only one thing I would like to ask of you. The flight of capital created and precipitated the crisis of foreign exchange. Was it not attributable to a sense of political instability? If the political instability came in, who is responsible, which Government is responsible?

SHRI KAMAL MORARKA: Very good. Salve Sahib is not only my guardian and mentor, he is a senior Member of this House. He has raised a political question. I can debate with him separately as to who is responsible for the political instability. The blame, unfortunately, will also lie on his Government because they lost the election, they lost the confidence of the people. If they were a good Government, they could have continued in power, but in 1989 elections they were voted out of power.

SHRI SOM PAL (Uttar Pradesh): Then they decided to support one Government to pull down another Government.

SHRI DIPEN GHOSH (West Bengal): This is the best answer that they lost the election.

SHRI KAMAL MORARKA: You cannot fool this country. The second question raised by Mr. Salve is very important. What is the flight of capital which is taking place ? NRI deposit figures till March end 91 have not shown any reduction. There had been slight reduction in the last three months when elections were announced and, tongue in cheek, may I say that probably the prophecy was that your party is coming to power and that is the reason for.... (*Interruptions*).

The other question, I would like to raise, is the IMF and the World Bank. Before presentation of the budget the opposition was verymuch concerned that the economic sovereignty of the country has been violated or compromised, and the Government, as usual, has given a bland answer. I take serious exception to one sentence in the middle of the submission that was made. Mr. Yashwant Sinha has also written a letter of intent to the World Bank and if it is placed on the Table much of these arguments will just vanish. Madam, I request the Government just now, here and now please place it on the Table. The arguments won't vanish; they will become strengthened. From Whatever memory I have, and without breaching the oath of secrecy, let me assure the Government and the House, that not one commitment is there in Mr. Yashwant Sinha's letter of intent which is against the accepted policies of this country which I see that in the last 40 years there was a general consensus on the direction in which the country is going. What is called, Nehruvian socialism, to which you are party, is totally breaching today. But saying it is Nehruvian socialism, I am surprised. You must understand that most of the people who are supporting your Budget today are saying, "We are happy because it means a goodbye to Nehruvian socialism,we are happy because it is a goodbye to Nehruvian socialism, we are happy because it is goodbye to socialism." Madam, it is a serious matter.

SHRI JAGESH DESAI: From which party?

SHRI KAMAL MORARKA: From every other party.

SHRI DIPEN GHOSH: From every party.. (*Interruptions*)...

SHRI KAMAL MORARKA : Madam, my basic formulation is, are we rejecting what we have done for forty years ? You are saying, the Soviet Union has collapsed. If the Soviet Union has collapsed, every time they say that they look at my CPI and CPI (M) friends. I do not know what they have got to do with the Soviet Union itself except that their political ideology was matching with the Communists of Marxian ideology. What has that got to do ?

[Shri Kamal Morarka]

Madam, whether it is the Soviet Union Government, whether it is Marcos in Philippines or Ceausescu in Romania, all those Governments have fallen because they have gone out of touch with the people. You have a democratic process here and so Governments here also go out of power without violance, but they go out of power when you go out of touch with the people. Even in the last election you were in power, I agree but how many Seats have you got in U.P. and Bihar the two most Populus States in the country? You are totally out of touch with the people. . . *(Interruptions)*. . . I don't want to inject politics in any way, but don't say that Mr. Yashwant Sinha also wrote a letter. In that letter, let me emphatically say, what we all understand as the Nehruvian approach has not been diluted even by one per cent. In fact, if I remember rightly, there is a specific sentence in that letter which says, "We will not accept any change which is contrary to our nationally accepted policies." We have not said, customs duty across the board we will reduce, we have not said, devaluation we will agree to, we have not said, on bank nationalization we will appoint the Narasimham Committee and give it the go-by. I think we on this side are more committed to some of the progressive measures taken by Jawaharlal Nehru and Indira Gandhi than any of you. But I am surprised, today we have come to a stage in this country where, very subtly, our legacy is being erased.

Normally I would not have noticed it, but in his budget speech, even the mention of these people is all gone. In the last budget speech in July 1991, Mr. Manmohan Singh said, "I dedicate this budget to Mr. Rajiv Gandhi." And in this budget ? Gone ! Political developments have taken place very fast--I agree--in eight months, but as a nation we are a 4,000-year old nation. We are all pygmies. What are we trying to do? We have become more brilliant than the Constituent Assembly? We have become more brilliant than Jawaharlal Nehru, we have become more brilliant than Indira Gandhi? What are we trying to do? I request the Finance Minister--he is an economic expert--please put the economy back on the rails. We will cooperate with you. Reduce borrowings; cut down expenditure; have development programmes for the poor. But don't tell us that problems are created by V. P. Singh, caste line or that Mr. Yashwant Sinha wrote a letter. With all this, you are running away from reality. They have nothing to do. It is totally a myth. So don't fool the public, nor yourself.

Now, Madam, the next question comes, of inflation. The Finance Minister said in his budget speech that when he took over, inflation was galloping and it reached 16.7 per cent in August 1991. Why doesn't he refer to June 1991? He took over in June 1991. Does it take three months to control a galloping horse? In your manifesto you have said that in 100 days you will roll back the prices, not that you will control inflation. "We will deflate the economy." Was it done with an application of mind--assuming that there is one? I don't understand that. Very coolly, very conveniently you tell the country that if the inflation was galloping you have brought it down to 12 per cent and by the end of the year to 9 per cent. We are at the end of the year. It will not be 9 per cent. We will have a double digit infation.

Inflation has many side-effects. First, it hits the poorest. Already the food-grains' prices have gone up by 50 per cent in the last two years. From where is he going to get themoney? The market mechanism will look after him? The population is 850 million, and 350 million are outside the Market mechanism. How can the market economy look after the people who are not in the market mechanism? Please answer me. Even assuming that the market mechanism works, what about those 350 million persons? If the foodgrains' prices go up by 50 per cent, it is not a small matter.

But, apart from that very cruel off shoot of what you are doing, even your macro-economic structural adjustment programme will not work. Again it works. How? The inflation rate is high. The GDP figure is high. Therefore, you can maintain your fiscal deficit figure even without doing anything. Madam, Indian innovations have not end. Washington and the World Bank people will never be able to catch up with us. They will have to say 6·5 per cent fiscal deficit at an inflationary rate of 9 per cent because, I think, with an inflationary rate of 12 per cent that is very easy to achieve. I am astounded. There are newspaper interviews in which some intelligent correspondent asked, "Mr. Finance Minister, can't you get out of double digit? "He says, "I am not very good at figures." Is that a reply?

Anyway, Madam, if inflation is not checked, if it is not just pegged down at 9 per cent, it will make a total mockery of all the very well-intentioned macro-economic programmes that you have tailored. I have nothing against those programmes except that you are cutting on the capital expenditure. If you can correct that part of it and the poverty-alleviation programmes, you increase a little outlay on agriculture, rural development, the Jawaharlal Rozgar Yojana, the employment programmes, the capital expenditure, I have nothing against these programmes. They are a must for the country. But if the inflation goes unchecked, we will be running up an escalator which is coming down. We will never reach anywhere, with the escalator coming down more rapidly than we run up.

Madam, which are the people who are very happy? I am surprised, my friend, Mr. Jagesh Desai, says that everyone is happy with the Budget. Who is happy with the Budget? I know that the first section which is happy today is the people in the share market. They are very happy. It is like races.

SHRI JAGESH DESAI: Even before the Budget, the share market was bubbling.

SHRI KAMAL MORARKA: Only after Mr. Manmohan Singh came.

SHRI JAGESH DESAI: No. Even earlier. I know it. (*Interruptions*).

SHRI KAMAL MORARKA: So, one section of the people are very happy. Mr. Manmohan Singh said, "I want to unleash the animal instinct of the Indian entrepreneur." I don't know about that. Bu t he has certainly unleashed the animal instincts of the Indian gambler and Indian speculator .

SHRI DIPEN GHOSH: That is why it is bullish.

SHRI KAMAL MORARKA: That he has done. They have become mad bulls.

Normally, Madam, stock exchange is an indicator. A company's share value is an indicator of that company's health. There are companies which are closed, but their share prices are going up. There are companies against which the BIFR has passed winding up orders, but their share prices are going up. What kind of index is this? We are puzzled. We do not understand all this. You please enlighten us. We are prepared to join a class on Economics to be taken by Mr. Manmohan Singh. I am prepared to Join it. You please explain to me what it indicates. It only indicates that the stock market operates in a thought-free zone. It is far above us.

Madam, we come to the Plan programmes. In Mr. Manmohan Singh's speech, Madam, I am very sorry to note that here are 15 or 16 paragraphs on the policy framework What is the break-up? On exim scrip., onthe new exchange rate there are three paragraphs; on gold,two paragraphs; on foreign investments, two paragraphs; on the Government borrowings, SLR, the Narasimhan Committee Report, reduction in interest rate, four paragraphs; on the Securities and Exchange Board, one paragraph; the Controller of Capital Issues, one paragraph. Three paragraphs relate to the masses of India. One is on National Renewal Fund, one on agriculture and one on agri-consortium.

On agriculture, please see, what has been said in paragraph 30. It reads, *inter alia* that "agriculture is a State subject and it is our hope that the State Government will give these issues the highest priority." It is our clairion call to farmers जःभो भगवान तुम्हारा भला करे। We are not able to do anything for you, but I promise you that in our Constitution we have taken care of you. The Chief Minister will take care of you. Madam, it is very serious. For the infermation of my friends on that side to their surprise even industry is a State subject. I am sure they don't know it.

SHRI P. SHIV SHANKER (Gujarat): Why do you say for the information of the friends on the other side? You should address....

SHRI KAMAL MORARKA: Barring you, Shiv Shanker Ji and Salve Ji, who know the fact.

SHRI VISHVJIT P. SINGH (Maharashtra): Would you yield for a second? I would like to point out to the hon. Member that the allocation for agriculture is Rs. 1,879 crores, the allocation for fertiliser is Rs. 5,000 crores.

SHRI KAMAL MORARKA: You are speaking next. Why don't you take up all these figures then?

SHRI VISHVJIT P. SINGH: No.

SHRI KAMAL MORARKA: Please don't waste my time. I am not yielding.

As agriculture, industry is also a State subject. Jawaharlal Nehru in his wisdom enacted an Industrial Development (Regulation) Act and said that the schedule annexed hereto will contain the names of the industries which will be licensed by the Central Government. In that a list of important industries were included, so the general impression was that the industry was a central subject. I want to know in this great euphoria of liberalisation, are you going to repeal that Act ? If you have de-licensed all the industries, why don't you reduce that schedule ? Why don't you give powers to the States ? Why can't States licence their own industries ? But you want to liberalise over the heads of the Chief Ministers like the Panchayati Raj Bill. You don't want to give powers. Your priorities are very clear. First you want all centralised powers. If you want to give up, you want to give it first to the foreigners If he is not willing to take it, you give it to the Indian industrialist. If he is not willing to take it, you give it to the bureaucrat. If he is not willing to take it, then you keep it to yourselves. You never give it to the State Governments. This cussedness, I have not understood. If in the name of decentralisition you want the States to devolve powers to the village level or the district level, then give powers to the States also. But that would not happen. On agriculture, my friend

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Vishvjit interrupted me. The figures are all right. Rs. 1,000 crores mean nothing. What is important is the percentage increase in outlay. It is nothing. It is minus if you take into account the inflation. Even an increase of 9 per cent or 12 per cent is reduced in real terms. This kind of tomfoolery can continue for some time, but not beyond fifteen days because the people will read the figures when news papers start printing it.

Outlays on agriculture, rural development, unemployment programme have been reduced. Even the Reagan and Thatcher models which appear to be sound models on which this Government's model is based said that taxes should be reduced, economic acitivity should increase. If business and industry prosper, rest of the country will follow and employment opportunities will grow. Even Reagan and Thatcher in the years when they reduce taxes, had increased outlays on health, education, unemployment programmes doles etc.

SHRI N.K.P. SALVE : Even now.

SHRI KAMAL MORARKA : Just see this Government, which is functioning in an electorate of one-person-one-vote thinks it is strong enough to give bonanza to one per cent of the country's population and deal a cruel blow to the poorest sections. I say it is a bold budget. It is not only a bold budget, but it is a brazen budget. It is more than bold because this is brazen. If you can pull this off, I will be surprised, If you could not pull off the emergency, if you could not pull off the Bofors scandal, let me warn my friends, you cannot pull it off. At the next elections you will be nowhere. You won't be able to answer anything. It is all right today you are in power for only one year, elections are away. My friends who go to the constituency, do they see the anger in the eyes of the poor people? It is all right to say anything sitting here, but they are not going to stay in the Parliament all the time, with security guards around them. We have to move around ...*(Interruptions)*... One small office, they wanted to close, Mr. Chidambaram had to be rescued by the police. Three lakh people from the public sector, they want to disemploy. We have had communal riots. We have had regional riots. We have had ethnic riots. We do not want bread riots. I do think this country can afford bread which is an excellent prescription for the social unrest. What worries me is the social unrest that will follow. I am from a section of the society which has been benefited by this Budget. I have come to know from my Chartered Accountant that I have to pay Rs. 30,000 less in my wealth tax. But I did not know that I belonged to a vulnerable section of society who needed this relief as I am doing quite well. Suddenly I have been told "Mr. Morarka, you need relief. You do not know about this." Very good news. We are born in a family which has been taught from the beginning that social inequalities beyond a point will erupt. They erupted all round us. In India they have not erupted because we have got democracy. We have adult franchise. I am surprised.

The Government elected by the adult franchise, howsoever the majority might have been manipulated. they are in power. You could manipulate majority in the Parliament House but you have to go back to the people for majority in the Lok Sabha.

SHRI MURASOLI MARAN (Tamil Nadu) : They have got invincible supporters.

SHRI KAMAL MORARKA : Invisible friends, etc., you have.

I don't understand a Government which has got a tradition. This Congress claims to be the Indian National Congress. I don't concede them this claim But there are many who have been in the freedom struggle who value the ideology thrown up by the freedom struggle. Madam, I am not a Communist. Nobody is at least saying that I am one. 'Socialism' is the word which is missing from this very document. Somebody said eliminate it from the Preamble of the Constitution. Madam, has 'socialism' become a dirty word for the Congress ? I am predicting here and now when the Tirupati session of the Congress starts, every resolution will have the word 'socialism' fifty times it day because that is the only way these grassroot Congressmen can be kept with you. You don't try to sell this theory in the stock market. You sell it in your own party and I will agree. Your own party workers will not fight.

SHRI JAGESH DESAI : Join us.

SHRI KAMAL MORARKA : There is not question of joining. Join us. That is a task. I am searching where is the real Congress.

SHRI JAGESH DESAI : You are a Nehruvian Congressman, join us... *(Interruptions)*...

SHRI KAMAL MORARKA : Where is the Congress party which Gandhiji started ? That is not the Congress party Jawaharlal Nehru lived and died for.

SHRI S.K.T. RAMACHANDRAN (Tamil Nadu) : You can see. the Congress party only if your vision is clear. Your vision is marred. You are wearing black spectacles; how could you see the real Congress ? You can never see the real Congress. You ran away from the Congress.

SHRI KAMAL MORARKA : The Congress party will disintegrate before I make up my mind.

SHRI S.K.T. RAMACHANDRAN : Congress party will be there for ever. Congress party will never disintegrate Without Congress party, there can be no India.

SHRI KAMAL MORARKA : Madam, I do not know which Congress party he is talking about.

SHRI S.K.T. RAMACHANDRAN : I am talking about the Congress party of today, Congress Narasimha Rao, Congress of the people and the Congress of Inia.

SHRI KAMAL MORARKA : Congress of Narasimha Rao or of Suresh Kalmadi ?

SHRI S.K.T. RAMACHANDRAN : Whoever may be the leader, it is Congress for ever.

SHRI KAMAL MORARKA : Narasimha Raoji is a good man, I think.

SHRI S.K.T. RAMACHANDRAN : He is the leader today.

SHRI KAMAL MORARKA : He is a very good man.

SHRI S.K.T. RAMACHANDRAN : You have to accept it.

SHRI KAMAL MORARKA : Madam this Agri-Consortium is a very good idea. Dr. M.S. Swaminathan is one of the foremost experts on agriculture. He has brought out a paper which shows how, by the year 2000, massive employment can be generated in the agricultural sector. He has welcomed this idea. But I am afraid, Madam, it is too little, too late. Twelve projects are there, in the whole period, whose outlays are not mentioned. As usual the outlays may be Rs. 20 crorcs or Rs. 30 crores. (*Interruptions*).

SHRI JAGESH DESAI : It is a beginning.

SHRI KAMAL MORARKA : Jagesh Bhai. please understand, you have no time. There is no question of beginning. Whatever you want to do, do it this year. Don't you understand me ? What I am trying to say is... (*Interruptions*).

SHRI VIREN J. SHAH : Let him develop his points please do not interrupt.

SHRI KAMAL MORARKA : Madam this will not work. This is an unworkable model and this is not original. The Swatantra Party said exactly this. If my late friend Piloo Modi was alive today, he would have been the happiest man. He would have said, "Socialists are a bunk; Communists are a junk". Let them get up and say that they have realised that the Swantantra philosophy was right. I have no quarrel. But they cannot go on misusing the name of Jawaharlal Nehru, claiming the Congress legacy and turning the entire country on its head Madam, I repeat, I am not saying it with a feeling of bitterness or anger. I am making an earnest request. What Jawaharlal Nehru and Indira Gandhi did was to build a national consensus. I know that my friends from the BJP will not agree. My friend Mr. Sikander Bakht is very happy that the Nehruvian model has been jettisoned. They have their own views. I respect the BJP for only one reason. They have a distinct opinion of their own and they know what they want to do. You and I may not agree. We got excited. But the fact is, they know what they are doing. In our case, today, the problem is, you don't know what you are doing. As long as you know what you are doing, I am happy because people have elected you. But you don't even know what you are going to do. You are saying something, but you are doing something else. This model is unworkable. India does not have the resources to sustain an American type of model. They say the American deficit is so much. Madam, Indian deficit is only three per cent of the American deficit. But will the World Bank and the IMF put so many conditionalities when they want to give loan to the U.S. Government ? This is meant for us. Let us understand. We are the leaders of the third world. Mrs. Gandhi put our head high as a followup of the Non-Alignment Movement of Jawaharlal Nehru. What are you trying to do ? Kneel before Washington on this specious plea that even the Soviet Union has broken up. I want to get it clear. We never followed the the Soviet model. We never had a totalitarian State. We never had that sort of a centralised system. We did not have collectivisation. We made our own model. Which model can we a copy ? One-sixth of humanity lives here. We must develop our own model. Even the Mirzapur carpet weaver every day makes a new pattern. Our thinkers and great economists cannot think of a model which is Indian and which suits our

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country ! We have to look to Washington!

My objections to the Budget are essentially two : not on macro-economy. One, increase the outlays, capital, on schools, primary health centres, unemployment programmes for the poor, some sort of cushion for them against inflation. You should have provided at least Rs. 2000 to Rs. 3000 crores. From where the money comes ? To the tune of Rs. 1500 crores, you have reduced direct taxes. What for ? You need not have reduced that. The share market would not have gone up so much. So what ? But it is prudent. What you are doing is not prudent.

My second objection is, for 40 years we have been experimenting. The Gold Control Act—Prof. Madhu Dandavate took it off. He said, "It is irrelevant, scrap it." You have gone ahead and said, "Let us have import of gold." I have no quarrel. Let us experiment as to what is good for us. Tomorrow, if you find that this gold scheme is not working, then again change it. But if you make a commitment to the World Bank or the IMF, then your policy option goes. We say economic sovereignty but you don't like it. I think some friends have misunderstood it. I don't mean that.

But you have closed your policy options. In 1981, we took the World Bank loan, the IMF loan. Shrimati Indira Gandhi took it. She had not done all this. She had not told the IMF, we will decntrol steel and we will give this to the private sector. Nothing, She said, fair enough. "Tell us how much you can pay. These are the terms and we will repay." Yes, some conditions are there. How will you repay if the deficits are too much ? But not that we tax A item or B item. Raja Chelliah report, I will not discuss with them. Narasimahan Report, I will not discuss with them. That is what we say surrender of economic sovereignty. If that phrase is very harsh, which it is, I don't use it. You are closing your policy options in making your commitments to the IMF. India is a free country. The Government in power, at any given time, represents 1/6th of humanity. It has no business to bow and knee down before anybody because we are all with you. When you go abroad, we are all with you. We may have differences here. That is what democracy is all about. When you go to Washington, 850 million people of this country are behind you. Don't feel so weak-kneed that you see Mr. Bush and you stand up. Don't do it. They will come to you. You are representing 1/6th of humanity. You are not Thailand, Korea or Phillipines. My complaint is not against the IMF. My complaint is not against the World Bank. They are doing their jobs fine. My complaint is against the upine Government. Why are they feeling so weak? On Punjab and Kashmir you call an-all-party meeting? You can have an all-party meeting on the economic crisis. Please call Advani Ji, please call all these people. Why are you afraid of talking to them? If you cannot face them any more, then you cannot be democratic. Then forget about it. There is one option they have. Madam, the class of people who are praising this Budget today, in August 1947., that class's opinion was, "the Britishers are doing fine. This Gandhi is creating trouble. What freedom you want? Society is running fine, police is there, Posts and Telegraphs are working, the Railways are doing well. What do these chaps want? Give them some money if they want? This is the way to colonialism. First you surrender your economic sovereignty and then slowly, political sovereignty. You see the World Bank and IMF record. They succeed only in countries where there is dictatorship. How can they succeed in democracy? Mr. Narasimha Rao says, these policies are irreversible. How? Tomorrow your Government will fall and the new Government, which comes into power, can repudiate it. Yes, they are irreversible from one angle. The damage is irreversible. The damage that you do to the nation's economy is irreversible. So, don't do it. I am not grudging your being in power. But take everybody into confidence. Come to the common minimum programme which everybody is agreed upon and implement it with force. The whole country is with you. But if you play politics, then it is difficult. See today we are not even objecting to your calling the unemployment programme the Jawahar Rozgar Yojana. Okay. You are doing a good thing. Do a good thing but do it. Here is a Government which wants to give concessions to the rich, crush the poor., ignore the Opposition. Then they hide certain things. When the letter of intent was demanded by us, you could have placed it on the first day. If you have done nothing wrong, then why was it not placed before the House when we demanded it? It was only after Mr. Jaipal Reddy placed it before the House, you objected to that procedure. If you have done nothing wrong. if your conscience is clear. then come forward and say, "this is what we have committed and this in our wisdom. we are in power, is right." The people of India could have been informed. Stand up and be candid. But a new philosophy has come, Madam. The Government wants to abstain from decisions. They will abstain during Question Hour. On Ayodhya issue, they will abstain. The Government, by absention, cannot work. You take a decision. You cannot consult the World Bank for day-today developments. Have you own self-confidence and courage. If you need help from us, we will give you.

Madam, as regards banking, one of the revolutionary steps in this country was

the nationalisation of banks. People like us, fresh from college, were drawn to Mrs. Gandhi at that time. I thought she would revolutionise the whole country. In anything there will be plus and minus. Today, after 23 years a whole new class of self-employed people have come up, only thanks to nationalisation of banks. There are taxi owners, rikshaw pullers, hand-cart pullers, small people, artisans, small scale sector. All this is a direct offshoot of the one decision which Mrs. Gandhi took. What are you going to do ? Just finish ! Denationalisation they can't do. So allow foreign banks to come in, swamping the Indian nationalised banking system ! Madam, I want an assurance from the Finance Minister that is banking system reforms, as suggested by IMF, will be rejected. Please don't go for these reforms. These are not reforms. Madam, every change is not a reform. They are making economic changes and calling them reforms ! They are deforming the banking sector and calling it a reform. This is not a reform. So, I want an assurance that the banking sector...(*Interruptions*)... Yes, banking services have deteriorated. Bank employees, the multiplicity of unions, sit down and talk. This is another point I want to mention. Can you run a company or a bank or any system without talking to your employees ? The era of dialogue with trade unions has vanished. You are talking to the trade unions through the press or through the Parliament. Call them, talk to them. If their wages are more than their organisation can give, then they can understand. But don't do what you are doing now. It won't work. The Narasimham Committee Report should be given a decent burial. Please don't touch it. It won't do. Madam, you will be surprised to know that in the whole budget document the word 'small scale sector' does not occur at a single place. Can you believe it, Madam ? They have changed the concept. The Narasimham Committee calls it small business. This is an American concept: fried chicken, macdonald, hamburger, etc. That is small business! How is it relevant to India ? We want employment generation, productive employment generation. What are you going to do ? Small scale sector has already vanished. Priority sector lending, the Narasimham Committee says, should be reduced from 40 per cent to 10 per cent. Even during the pre-nationalisation days the banks were doing better than this. What can you do after you implement the Narasimham Committee Report ? Please reject the Narasimham Committee Report lock, stock and barrel.

Madam, on the taxation aspect, 155 changes they made. Rameshwar Thakurji is here: 155 changes they made in the Income Tax Act. They said, "We will bring a direct tax code." We are waiting for some simplification, some rationalisation. Why change by way of a Finance Bill through the back-door.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) : I want to clarifyone point. There are only 41 changes which are structural changes, 36 are consequential and 8 have given relief to the different sections of the people, 20 are omissions. Therefore, what he is saying, 151 changes, —because somebody has spoken it elsewhere— is not the correct position.

SHRI KAMAL MORARKA : All right, 41 changes they have made...(*Interruptions*)..41 changes he has made Madam, when a direct tax code is about to come, what is the hurry ? What are those changes ? I have already said, "wealth tax you need not have reduced."

SHRI RAMESHWAR THAKUR : You are such a knowledgeable person. In order to give fillip to the Budget proposals unless we have any changes in the existing laws, how can we bring the Budget proposals ? ...(*Interruptions*).. Those 41 are Budget proposals. They are not administrative measures.

SHRI KAMAL MORARKA : Madam the underlying philosophy was ....

THE DEPUTY CHAIRMAN : Have you followed what he said ?

SHRI KAMAL MORARKA : The underlying philosophy was to simplify the taxation system, but you have made it more complicated.

THE DEPUTY CHAIRMAN : What he was saying was there were certain Budget proposals. To implement them, they had to make certain changes. That is what I understand. ...(*Interruptions*)..

SHRI KAMAL MORARKA : That is number one. And second, why are you putting such complicated Budget proposals ? That is my point. And whom are you to help ? They have increased the exemption limit from Rs. 22,000 to Rs. 28,000.

Immediately on the first day everybody thought that the salaried class has got some benefit. Madam, Rs. 13,000 benefit under 80L you have taken away. This is a country where savings is a natural virtue. This virtue we made into an incentive through the taxation system. You want to take it way. You want to have a flat taxation system. one can blow us that money. You don't mind. Why are you doing it ? Household savings will come down. What are you trying to do ? I want to know. In the name of God, please tell me, what are you doing ?

SHRI RAMESHWAR THAKUR : Please understand what I say. We have raised the limit to Rs. 28,000 where by we have got 8 lakh assessees out of the net and the Chelliah Committtee has clearly stated and all other Committees have also stated that we should straight forward reduce the rate and various kinds of incentives should not be provided for. About the incentive of Rs. 13,000 which you are referring to... (*Interruptions*) ...

SHRI KAMAL MORARKA : No. Thakur Saheb, by my comparision you are a knowledgeable person. You understand what I am saying.

SHRI RAMESHWAR THAKUR : I totally disagree with you. I have also jotted something here.

SHRI KAMAL MORARKA : Madam he says that 8 lakh people have been taken out the tax net. On the one hand, you say you want to widen the tax base. On the other hand, you say taking out people from the tax net is a virtue. You can make any proposal and mention it that way. What does it mean ? You want to bring the small shopkeepers in the tax net. You want to widen your tax base. There are economists... (*Interruptions*)..

SHRI RAMESHWAR THAKUR : You were talking of the raising of the limit from Rs. 22,000 to Rs 28 000. This is he confusion you are creating. I cannot understand.

SHRI KAMAL MORARKA : If you hear me, you may perhaps understand. I am saying very clearly that the provisions of 80L should not be taken away under any circumstances What exemption myou want to fix, that is your problem u the poor man..(*Interruptions*)..

SHRI JAGESH DESAI : I fully endorse this view.

SHRI KAMAL MORARKA : Madam the only section which helps the lower rung of the salaried class is 80L and that should be restored. People earning above rupees one lakh as salary, etc., are making use of 80CC (A) and (B). What you want to do is your problem. But savings oriented section should not be tinkered with so that at least that money remains with the government, the savings go up. Investments can be made out of savings and lesser borrowings. These are fundamental economics. I never thought that I should repeat what I learnt from Salve Saheb.

Madam, the Ninth Finance Commission was headed by Mr. Salve. The Ninth Finance Commission headed by Mr. Salve made many recommendations. But I refer only to two. The Finance Commission noted-it is a constitutional statutory body—that revenue deficit started after 1980-81 and reducing the revenue deficit to zero is the most important fiscal imperative. This is one of the recommendations of the Ninth Finance Commission. Some move towards this is there this year. But that is not so on revenue deficit which Revenue is going up. Last year also in July 1991 they predicted a revenue deficit of Rs. 13,854 crores and this March they are telling, "Sorry, it is Rs. 17,081 crores". This is what Mr. Jagesh Desai was that day arguing. You had an advantage. Three months figures were already with you. But after having the advantage of three months' working your estimates go wrong even in 9 months! And how much ? By Rs. 2,000 crores. Where is the country going ?

SHRI JAGESH DESAI : Earlier it went up by Rs. 5,000 crores.

SHRI KAMAL MORARKA : Earlier the fiscal deficit was 9%. That is the history. What is the use ? How will the fiscal deficit come down unless the revenue deficit comes down ? It is amazing. This one recommendation of the Ninth Finance Commission should be made constitutionally obligatory. The second recommendation of the Ninth Finance Commission was about the norms for the States.This was a special term of reference given to the Finance Commission. They had a meeting with the Prime Minister. He said, "Yes, I want the Finance Commission to lay it down." Madam, after the hard work, after meeting all the Chief Ministers, the Finance Commission lays down the normative ratios for expenditure and for revenue. They have taken averylenient view and will apply strictly only between 1990 and 1995. For one year we will go lenient. They have done all that. Madam, what happens ? The Central Government in its profligacy with the revenue deficits can print currency notes. All norms are thrown to the winds. How are the States going to meet the deficit ? Inflation is your responsibility. If your inflation goes up high, the expenditure of the States goes up high. You have got recourse to Nasik and Dewas. What have the States got recourse to ? From where they will gedmoney? Madam, I would like to submit that in last three years after the Ninth Finance Commission whatever shortfall is there of the States, should be made up. If you look at the Budget it is as if grants to the States are increasing. The ratio has been given very cleverly. There are transfers to States. (*Interruptions*). I don't know, what you are doing. Why are you reducing the customs duty ? I don't understand your economics. They want to produce money out of thin air. They have

succeeded also. Because their money grows on trees. Currency note paper comes from trees actually. That is how they are functioning. But I strongly feel that if you want the federalset-up to continue, unless you are disciplined, you can't enforce discipline on the States. It is a very very unfair thing to do. Please work it out. The National Development Council is there. Call the Chief Ministers. Please make up their deficit so that their development programmes don't suffer.

Modvn, on the taxation side, they have reduced customs duty across the board. Ideologically I disagree with that. Whatever the World Bank may say, let us import where necessary. Mr. Yashwant Sinha compressed imports. We have saved 3.7 billion dollars in one year. Our BOP today is happy, thanks to that one step. You are taking credit, I don't mind. The Government is a continuing entity. The fact remains that today we have a happy BOP position because we have saved money on imports. You say, industry has suffered, export has suffered. Where is the empirical data ? Why don't you tell us how much the export has suffered because they could not import components ? Nobody will give us the figures. This is all a theory. The fact remains that even Italian marble today is allowed to be imported. The Trade policy is coming. I request the Government, please cut these inessentials. Our poor country can't afford it. Create an atmosphere where everybody can pullalong and take this country out of this mess.

There is reduction in the customs duty across the board, with which I don't agree. The excise duty across the board has been increased again very cleverly. If they would have increased the excise duty on petroleum, there would have been *Hulla*. What they have done is across the board and on cigarettes, etc.? In the long run we all know excise is inflationary. Ultimately, the consumer pays for it. They will not be able to keep inflation in a single digit. What is required is perhaps single digit inflation and double digit export. You have reversed it today. Unless you have a single digit inflation and double digit growth of exports, you can't come out of this mess. No amount of expertise will do. I request the Government again, don't take the second grant from the IMF. Stop at what you have done. Compress the imports, take the opposition into confidence, increase the outlay for the poor. Let us pull together. We don't want to go to a dogma of communism and socialism. Don't go to the dogma. Let that be Indianism which we all are capable of doing and let us sit together and work it out.

THE DEPUTY CHAIRMAN : I hope the Members got the supplementary list of business that the Minister of State for External Affairs, Mr. Eduardo Faleiro will make a statement regarding modalities for the implementation of 1982 Bigha Agreement I only request the Members to be brief while seeking clarifications because otherwise, we would be cutting down the time meant for Budget discussion. I think the Members are more interested in the Budget discussion and hence I request Members to be very specific. Please ask if you need to, and not for the sake of asking.

SHRI P. SHIV SHANKER : Madam, why can't he make the statement tomorrow because today is the last day for Budget discussion ?

THE DEPUTY CHAIRMAN : I asked the Minister when he requested me, whether he could make it a little later or whether he could make it tomorrow. But he told me that they were signing the agreement today, today being Bangaladesh's National Day. That is it. I would like to know whether it is inevitable that the Members should seek clarifications ?

SHRI CHIMANBHAI MEHTA (Gujrat) :Madam, we have got just 16 hours for Budget discussion.

उपसभापति : आप अगर हर वक्त इंटरफियर न करें तो बड़ी मेहरबानी होगी बड़ी मेहरबानी होगी । मैं कुछ और नहीं कह रही हूं । आपकी कृपा होगी चेयर पर। आप जरा मेरी बात सुनिए ।

श्री चिमनभाई मेहता : हम तो कभी-कभी खड़े होते हैं ।... **(व्यवधान)**

उपसभापति : आपको मैं बड़ी तमीज से कह रही हूं । आप जरा बैठिए।

SHRI CHIMANBHAI MEHTA: Madam, we fully respect you. But when have to close the Budget discussion today and there are only 16 hours left...

THE DEPUTY CHAIRMAN: It is not the question of closing and opening. I did not say that. I said we were cutting down. We have 10 hours and 51 minutes to discuss the Budget before 31st March along with the Budgets of J&K and Tripura. How are we going to stretch the time? The Membbers have to decide it. Should we sit late or should we discuss it at night, that the Members will have to decide. That is why I was saying that the clarifications could be taken up later.

पूरी बात सुनकर आप दिल की बात कह सकते हैं। सुनिए...

[The Deputy Chairman]

Today is the farewell of the retiring Members that you are giving and so we will have to adjourn the House a little earlier.

श्री चतुरानन मिश्र (बिहार) : तीन बजे न कर के स्टेटमेंट छः बजे कर दीजिए।

उपसभापति : आज रिटायरिंग मेंबर्स का फेयरवेल है।

श्री चतुरानन मिश्र : वह सात बजे है।

THE DEPUTY CHAIRMAN: Clarifications can be taken later. Yes, Mr. Vishvjit P. Singh.

SHRI N. K. P. SALVE: The reply of the Finance Minister, is it as per the original schedule or is it likely to be postponed?

I hope that is not postponed somehow.

SHRI RAMESHWAR THAKUR: No, that has not been postponed.

THE DEPUTY CHAIRMAN: I do not know. It is for the Parliamentary Affairs Minister to discuss how they are going to manage and how the discussion is to be finished. I am really amazed.

SHRI N. K. P. SALVE: We are talking of revenue deficit and fiscal deficit...

THE DEPUTY CHAIRMAN: Yes, we are having deficit of time now.

SHRI N. K. P. SALVE: We are in business deficit of about 4 to 5 hours. Now, how are we going to make it up? One way of making it up is by sitting after five tomorrow for four to five hours because it is essential and a necessary step that the debate concludes on Friday. By Monday we would be dangerously close to 31st March.

THE DEPUTY CHAIRMAN: These things have to be passed within the stipulated time. Again we have the J&K and other budgets also. We have got to pass them before 31st March.

SHRI N. K. P. SALVE: Now that the debate has risen to good heights, why not we sit after five for about 3 to 4 hours?

THE DEPUTY CHAIRMAN: I will discuss the matter with the Parliamentary Affairs Minister and we will try to find some via-media.

SHRI N.K. P. SALVE: Madam, I have made a mistake. Tomorrow if the reply is at 12 0'clock, there is no point in sitting late I think there is no option but to curtail from 16 hours to 12 hours.

SHRI G. SWAMINATHAN (Tamil Nadu): But everybody should be allowed to speak.

SHRI N. K. P. SALVE: We should resolve it now because otherwise we will be in difficulty later on.

THE DEPUTY CHAIRMAN: We will discuss it now. Let me talk to the Parliamentary Affairs Minister. Otherwise, like every day even this mater will become a matter for dispute. Mr. Ram Awadhesh Singh has got up and he will take half-an-hour to sit down. Please, let us continue with the discussion.

SHRI VISHVJIT P. SINGH: I heard with rapt attention the speech of my friend Mr. Kamal Morarka. I put it in inverted commas what he said, "I accuse the Finance Minister of having made a beautiful presentation and though he was not correct in his presentation, he made it in such a way that he made a fool of everybody". But I would say that it holds good not for the Finance Minister but for Mr. Kamal Morarka. In such a convincing way, he tried to tell us about what was happening. As far as he is concerned, I would like to say one thing. This is from *The Economic Times* of 21st March about what Mr. Palkhivala has said while talking about the Budget and the reaction of the opposition. He said, "One of the great failings of our democracy is the mistaken belief that it is the duty of the opposition to oppose". So, it is for the sake of opposing that they oppose.

[The Vice-Chairman (Shri Bhaskar Annaji Masodkar) in the Chair].

Mr. Vice-Chairman, Sir, I have been a Member of this House for a good number of years.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : Please go on the Budget.

SHRI VISHVJIT P. SINGH: I am on the Budget. All these years, every year when the Budget discusson comes, I have heard the name of Mr. Palkhivala being mentioned by the Members of the opposition, repeatedly every year as some kind of a Bible Why is it that this year his reference is missing?... *(Interruptions)*

SHRI RAM AWADESH SINGH: Palkhivala is a champion of capitalists.:

श्री विश्वजित पृथ्वीजित सिंह : गुरू जी, आपने पालखीवाला का नाम न कभी लिया है, न मैं कुछ कह रहा हूं । अगर चुप का दान बख्शेंगे तो मैं आभारी होऊंगा ।

श्री राम अवधेश सिंह : ठीक है, आप बोलिए ।

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : Please let him finish.

SHRI VISHVJIT P. SINGH : I have just started, Mr. Vice-Chairman.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : "Let him finish" means without intterruptions.

SHRI VISHVJIT P. SINGH : All right. Thank you. This Budget and the proposals have to be seen in the context of the situation prevailing in the crisis of 1990-91. All these are actually a progression from where ? We have to first understand as to what was it that took us in this direction. What is the international situation ? How do we respond to it ? I can do no better than to quote from the *Economic Survey*. This is from the Chapter 'Developments in 1990-91'.

"The immediate cause of the loss of reserves beginning in September 1990 was a sharp rise in the imports of oil and refined products (POL). From an average of Rs. 499 crore per month in June-August, 1990. POL imports rose sharply to Rs 1221 crore per month in the following six months. There was a sharp rise in world oil prices on the annexation of Kuwait, and spot purchases made to prevent the emergence of shortages in the domestic market were very costly. The rise in the cost of POL imports more than accounted for the rise in the trade deficit from an average of Rs. 619 crore per month in June-August, 1990 to Rs. 1229 crore per month in the following six months. The effect of the rise in oil prices was aggravated by the events that followed. Indian workers employed in Kuwait had to be airlifted back to India, and their remittances ceased to flow in. Further, the consequent UN trade embargo on Iraq led to the cessation of exports to Iraq and Kuwait. The loss of exports to West Asia is estimated to have been about Rs. 500 crore. The payments crisis of 1990-91 was not, however, due simply to a deterioration in the trade account; it was acompanied by other adverse developments on the capital account reflecting the loss of confidence in the Government's ability to manage the situation. Short term credits began to dry up; this imposed a severe strain on the balance of payments position.

The drying up of commercial loans in 1990-91 was accompanied by a net outflow of NRI deposits which began in October, 1990 and continued in 1991. NRI deposits, although ostensibly in the nature of time deposits for different periods, are in fact withdrawal on demand if the depositor is prepared to lose some interest."

2-00 P.M.

"They are thus in effect a form of short-term debt. The outflow from NRI deposits was very substantial. In April-June 1991 it was $952 million. It continued at the monthly average rate of $120 million in July-September and then declined to $83 million in October-December. It was reversed only in January 1992."

This was the situation. At that point we had to see what the options which were open to us were. We could have closed down our financial borders, our economic borders and gone on the question of total self-reliance. But that would have also meant a total lack of development. Our oil import bill was going up. Our security needs were paramount. Taking into consideration the international situation, the uni-polar world which was emerging and taking into consideration the industrial capacity part of which was already there, the entrepreneurial capacity which was very much there, was it not time for India, the giant, to wake up? Was it not time for us to integrate ourselves into the world economy ? Mr. Kamal Morarka has made reference to all kinds of models, to the various models this model, that model, and asked: Why should we not evolve an Indian model? My answer to him is we have not followed any model, we have evolved our own model. No other country has ever attempted to do what we are doing today. No other Finance Minister in the world—and I say this with some responsibility—has taken a loan from the World Bank, from the IMF, and then done what we have done. We have followed our own line. We have seen all other countries. We have seen the pattern followed by China which has chosen geographical area development rather than development across the board. It has taken particular areas, freed them, made them a part of the free market economy and tried to develop them. We have seen the example of Korea which has gone into sectoral assistance of monopolies guided by the State which has seen sereve

[Shri Vishvajit P. Singh]

unemployment riots, killings by the State. But that could only happen in a totalitarian regime, not in a democracy like India. We have seen the example of Malaysia which has gone in again for across the board development. But it was willing, though not today, at the earlier stages, to open the flood-gates to all kinds of things. Today we do not want to do that. We do not want to follow any of these model. He has referred to the model of UK, to the model of Reagan and Mrs. Thatcher. Both Reagan and Mrs. Thatcher went in or a high inflation, high deficit, economy. We have not gone in for that. The budgetary deficits, the fiscal deficits, were allowed to run out of control in their time. We are not doing that. The first condition that we have imposed upon ourselves is the control of the deficit. That is the option which we have chosen. That is the Indian model. That is the model enunciated by my late leader, Shri Rajiv Gandhi. He was the one who had enunciated this model. I would like to quote from the manifesto of the Congress or the General Elections of 1990-91. In the chapter on the Economy at page 22, – I shall read out two very short quotations – it said:

"The Congress will restore the fiscal balance in the Budgetary system by drastically reducing wasteful expenditure, rationalising non-development expenditure and expanding the revenue base of the Government, particularly through a linear, more dynamic and profit-oriented public sector."

"..Deficit financing will be restricted to manageable limits."

Once again, referring to the various sectors of the economy, it is said that we are going to follow a new model, that we are going to follow the dictates of the World Bank. There was no World Bank dictate when we made this manifesto. This manifesto was brought before the people of India and the people of India have voted us to power on the basis of this manifesto. And, Sir, what does it says.

"The Congress will endeavour to abolish the monopoly of any sector or any individual enterprise in the field of manufacture, except on strategic or military considerations, and open all manufacturing activities to competition."

This is the Congress (I) manifesto. No sector shall be allowed to have a monopoly, no sector shall be allowed to take money unbridled, and they will have to become productive, and, to use the words, there will be a "leaner and fitter public sector". We took measures, immediate measures, the moment we came to power. We took immediate measures and the result of these measures, these interim measures, is that they have borne fruit. Once again, I would like to quote from the "Economic Survey". It is from page 15 under Outcome":

"The early results of the crisis management efforts in 1991-92 have been encouraging."

Sir, I would like the House to hear this with some care and with some attention. It says further:

"Foreign currency assets which had declined to 1.1 billion at the last point in June 1991, had risen to about 4.4 billion by 19th February, 1992. In addition to the build-up of the foreign exchange reserves, the Government was able to bring back the gold pledged with the Bank of England in July. The value of this gold was approximately 600 million dollars. Then, 1,605 million dollars were received on account of the India Development Bonds which were held by the State Bank of India. There was increase in external assets of about 4.6 billion dollars."

This was the tangible and substantial result of the reforms package which we introduced in the initial stages.

Once again, Sir, Mr. Morarka asked, "What is your objective?". He further asked me, What are you going to do at the end of it?". When the last Budget was being discussed in this House, I had asked this question. I had put this question to the Finance Minister: "What is your objective?. The objective has been outlined very clearly, objectives in various fields. But I am only going to refer to the fiscal objecitves as enunciated again in the "Economic Survey". I am referring to page 24:

'Fiscal Policy: The immediate aim of fiscal policy must be to improve the fiscal balance in order to eliminate the inflationary pressures emanating from the Budget deficits. The other objectives of fiscal policy reform would be to stop further accumulation of public debts and to direct Government expenditure towards providing essential public services of high quality and finally to restore Government's capacity to make strategic investments in human resources, to guide the economy and help the weak and the less "privileged."

This is the objective very clearly defined and we are working towards this objective. The lynch-pin of this objective is management of the deficit. Much has been made that this deficit is being managed by taking into account the inflation that is there. I would like to show you what has happened in the past and what has been the result of that. We have seen the result. But I would like to show you what has happened in the past. And this I am quoting from the various reviews of the Central Budget. The budgetary deficit in 1990-91 was Rs. 11,347 crores. And the fiscal deficit was 8.5 per cent of the GDP. In 1991-92, in the revised estimates, the revenue deficit was Rs. 17,081 crores. The budgetary deficit was Rs. 7,052 crores, and the fiscal deficit was 6.5 per cent of the GDP. Today we are bringing this down. We are bringing down the revenue deficit in 1992-93 to Rs. 13,882 crores, the budgetary deficit to Rs. 5,389 crores only andthe fiscal deficit to only 5 per cent of the GDP, This management of the deficit is essential to the entire budgetary scheme. But what does it mean? There is a second part to this lynch-pin, as I said. Part (a) is the management of the deficit, and part (b) is the adjustment of the tax resources. Customs duties have been reduced. I heard various people talking about reduction of customs duties and the consequent increase in the excise duties. And they say that this has given relief to the rich and that this has caused problems. I would like to show what the real effect of this is going to be.

Firstly, purely going by the figures, the effect of this is going to immediately result in a loss to the Centre of Rs. 517 crore. There is no gain to the Centre by the increase in the excise duties. There is no gain. There is a loss. But what does that loss imply ? What happens to the States ? Much was talked about the States, much is talked about the States everywhere. The States would gain from the direct tax proposals to the extent of Rs. 1,500 crores. The States would gain to the extent of Rs. 1,500 crores. Many Members have spoken about raising of tax limit. They said that the tax limit should have been raised higher. They said that the exemptions should have been maintained but the tax limit should have been raised. This is the argument being advanced by various people. My answer to that is, if we had raised the tax limit to Rs. 40,000, the loss would not have been of the Centre, the loss would have been of the States . Let not everybody forget that 75 percent of all income-tax collected by the Centre goes to the States. It goes directly to the States.

SHRI S. VIDUTHALAL VIRUMBI (Tamil Nadu) : Not corporate tax. We are not getting corporate tax.

SHRI VISHVJIT P. SINGH : But what is the total collection of corporate tax ? It is hardly anything. You see the figures. They are there for you. All these years, what corporate tax have we collected ?

SHRI T.R. BALU (Tamil Nadu) : We are not having any due share.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : Let us hear him, please.

SHRI VISHVJIT P. SINGH : We are talking of income-tax. We are talking about exemption limit of the personal income tax. If that limit had been raised, the loss would have been of the States.

Similarly, Sir, much has been said about increase in excise duty. Everybody says, 'across the board', sweeping statements and generalisations.

The fact is that excise duties on essential goods have either been lowered or kept at the same level. There has been no increase in excise duties on goods of essential or common consumption by the poor. There has been no increase at all. There has been a decrease.

And then what happened to the plan outlays ? I had interrupted Mr. Kamal Morarka, and he had objected to that interruption, because I wanted merely to correct him on his view of the Budget and of the allocations. The core sector of the economy has been very well served by this Budget, by the increase in its allocations. I would like to show you what have been the sectoral increases. In agriculture, from Rs. 1858 crores, it is increased to Rs. 1879 crores; Energy: from Rs. 13514 crores to Rs. 14919 crores ; Industry: Rs. 7117 crores to Rs. 8198 crores; Transport : from Rs. 7537 crores to Rs. 9129 crores; Communications : from Rs. 3383 crores it is increased to Rs. 4890 crores; Railways : from Rs. 5325 crores increased to Rs. 5700 crores; Social services: Upto Rs. 5128 crores; Shipping: Rs. 617 crores to Rs. 1222 crores; Civil Aviation : Rs. 433 crores to Rs. 1036 crores; Telecommunications: Rs. 3203 crores to Rs. 4500 crores Fertilizer industry: Rs. 411 crores to Rs. 1234 crores; Power : Rs. 6411 crores; Petroleum : Rs. 6054 crores, coupled all this with.

The fact that there has been no increase in price of petroleum products, and also coupled with the fact that even in the Railway budget proposals and their final acceptance, there has been no freight increase on essential goods or goods of common consumption. There has been no increase. Now, who is affected? Definitely not the poor man.

[Shri Vishvjit P. Singh]

There has been a lot of criticism again in this House, not outside; in this House there has been a lot of criticism that this Budget is anti-poor. I would like to quote once again from *India Today*. It is a respectable magazine; nobody can say that it is a pro-Congress magazine. What does it say in its latest issue dated March 31 in the editorial page ? It says :

"The sickening reality of all this is that a centralised system thriving on corruption saps the vitality of the economy ; it retards the growth rate, prevents real gains in incomes, and brutally punishes the competent, the enterprising and, most of all, the poor. It creates not national wealth but colossal stagnation. It is from this moral and social quagmire that the new economic policy, now embodied in the budget proposals, seeks to deliver us.

There are no short cuts out of poverty. Subsidies, bailouts, handouts, industrial licences to the favoured, create not affluence but economic drain, and inflation which is the cruelest tax on the poor. The way out of poverty is jobs and more jobs. This means industrial expansion, competitiveness, efficient banking, a rational tax system, boosting the capital markets, spurrings new investments, attracting more and more technology, and competing in the world market. Manmohan Singh's proposals hold the promise for much of this...."

"If they succeed, he will go down in history as having given this country its first pro-poor Budget".

This is the first really pro-poor Budget, according to India Today'.

What is the standard by which we gauge the social commitment of the Government? What is the standard by which we gauge that ? By the allocations and subsidies. There was a lot of talk, before the Budget was presented, that the subsidies would be cut. There was no cut in the subsidies. On the contrary, there has been an increase. The present allocation is, Rs. 10,487.45 crores. Let me also give you the sectoral allocation. Rs. 2,500 crores towards food. Rs. 1,500 crores towards debt relief for farmers. Rs. 325.57 crores towards interest. Rs. 5,000 crores towards fertiliser. This is just to give you an idea, Mr. Vice-Chairman.

All I can say is, Mr. Manmohan Singh, the magician, has evolved a unique Indian model. He has cut the deficit. He has increased the allocation to the core sector. He has kept the subsidies intact. Yet, he has presented a Budget. It is a remarkable exercise.

In the short-term, in the very very short-term these proposals will definitely keep the GDP low. When the GDP is low, inflation will be kept at bay, in the short-term. Money supply will be tight. All these will result in low inflation, single-digit inflation, not what they are talking about. What will happen in the long-term? What do these various proposals for fiscal reforms amount to ? Let me quote Mr. Palkhivala. No. I am not quoting Mr. Palkhivala. I am going to read that alone. I have given too many quotations. The proposals are geared to guide investment into the stock market, into industrial development. The stock market is flush with funds. It is going to get half the national funds. Where are these funds going to go ?

Investment will be available because of the tax exemptions. Money will be available to the banks because of the change in the SLR. Banks will get more money to finance. This will result in more money being available or investment, for industrial purposes. This money will be available or industrial investment. Plus, technology will be available. Foreign investment will be available. And here lies the crucial key. Lowering the customs duty rates. This will have the effect of providing the latest technology, the latest machinery,— plus, certain goods required or manufacture— enabling us to compete in the international market.

This fresh industrial capacity will be geared-most of it—towards exports. This is because of the lack of growth in the domestic market, in the local market. The local market will not be open to new industrial enterprises. It will be open, but it will be limited. That limit will be crossed only by exports. Therefore, all these investments will be guided and geared towards experts. And here I would like to sound my only note of caution to the Finance Minister. You have set up SEBI with the idea of regulating what happens in the stock market. I am not saying that everybody is dishonest, but there are elements in every society which would take advantage of the loopholes in the law. Let it not happen here. It happened in America, it happened in U.K. when markets opened up. Our market is today opening up. This new investment, this new money which is going to be available, let it be geared only towards investment and not towards speculation. I think it is the type of the SEBI...

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : You can summarise your points now.

SHRI VISHVJIT P. SINGH : I will summarise them in the shortest manner possible.

I will end as directed...

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : I do not want you to end. I asked you to summarise your points.

SHRI VISHVJIT P. SINGH : You want me to summarise. I have already spoken and I do not want to summarise.

All I would like to say is that the economy today is ready to take off. And here I would like to quote from the speech of my leader, the hon. Prime Minister of India, Shri P. V. Narasimha Rao, at the Symposium of the World Economic Forum at Davos, Switzerland, February 3, 1992.

He said:

"Today the Indian economy has attained a degree of maturity and sophistication which naturally makes it ready, willing and even eager to accept the challenge of the international market place.

The economic reform process in India must be seen against this background. The economic liberalisation process is the logical continuation of the strategy of development adopted by India. It is a process necessary to take India to a new and higher level of growth.

With its vast and growing market India can become a powerful engine for the growth of the Asian as well as the global Economy. This is of great significance at a time when growth in several developed economies appears to be declarating and access to their markets is becoming more difficult. An economically dynamic and politically stable India, by itself, is an important message to the contemporary world".

I would once again like to quote from an article in the U. K. magazine which all of you are aware of, 'The Economics'. This is from the latest issue. It says:

"Last year a new government embarked on a programme of economic reform, partly out of financial necessity, partly out of conviction. If carried through, the Reforms will deliver India the prosperity it has been denied. The Government deserves and is getting, generous support for its new policies. If Mr. Singh and his reformers can stay the course, India will astonish the world and itself."

India will rise and astonish the world, We will finally take our place in the Asian market. Lastly, I would like to quote, once again, from last paragraph of the Economic Survey. It says:

"The Government has tried to expand the economic space in which the people can exercise their initiative and ingenuity. It hopes to do more to expand their opportunities, to enhance their potential. But what shape the economy take ultimately depends on what the people make of it. In that sense, the future is in their hands."

Thank you.

*SHRI T. R. BALU Mr. Vice-Chairman, Sir, I rise to present my views on the General Budget for 1992-93 on behalf of D. M.K. The very purpose of the Budget is to bring about socio-economic changes for the welfare of the people within the paramaters of Five-year plans having the development of the country in wind. A Government can face the problem of deficit on some occasions for various reasons. If domestic production falls there can be deficit. If the Government follows wrong trade practices there can be deficit Or if the democracy proceeds in the wrong direction and chooses a wrong person as leader, as Prime Minister, or as Chief Minister the problem of deficit can arise. There can be economic crisis if they pursue wrong policies.

But a good leader can always handle the economy carefully and set things in order. For example, in 1990-91 when my revered leader and mentor, Dr., Kalaingnar assumed the office of the Chief Minister of Tamil Nadu, the Government Treasury was empty; even the godowns were empty. This was due to the mishandling of the economy by the previous Government. But because of his administrative acumen and ability to handle even complicated problems, Dr. Kalaingnar set things right in a few months. The government coffers became full and the go downs were filled with foodgrains. He ushered in revolutionary changes to better the socio-economic conditions of the people. A number of welfare schemes were formulated and implemented with political will. Women are given 30% reservation in job opportunities. Other welfare schemes included right to property for women, a marriage grant of Rs. 5000 to women who had studied upto VIIIth class, concrete houses for SC/ST people, enhancement of salary of the state government employees on per with central government employees, setting up of new industries for generation of more employment opportunities, free title deeds of plots to the poor, free bus pass to students and free electricity for farmers for irrigation. (*Interruptions*)...

*nglish translation of the original speech

[Shri T. R. Balu]

I cite these examples because, I want to point out as to how impotant is the Central government today. If the state government with its limited resources could do so much for the welfares of the people, why should the centre sulk away?

SHRI M. VINCENT (Tamil Nadu): When the D. M. K. left the saddls, they had left a deficit of Rs. 900 crores in Tamil Nadu. We had the noble government of Dr. M. G. R. that controlled the price. Now Dr. Puratchithalaivi is doinng it.

SHRI MOHAMMED SAQHY (Tami Nadu): Now the A.I.D. M. K. Government is looting the government property; government land has been misappropriated now.

SHRI M. VINCENT: There is no irregularity in the sals. Only during D. M. K. regime granite mines worth Rs. 50 crores were given to his son-in-law without any tender. (*Interruptions*) It was a public tender.... highest bid.... (*Interruptions.*)

SHRI T.R. BALU: It is all fales.... These are fabricated....

SHRI MOHAMMED SAQHY: Your Chief Minister has taken government land. She got hundreds to people killed during Mahamagam in Kumbakonam. (*Interruptions*)

Sir, the Tamil Nadu Chief Minister has violated the code of conduct.

SHRI M. VINCENT: Our Chief Minister has not violated any code of conduct. (*Interruptions*)

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASOKAR): Please sit down. Don't interrupt. Mr. Vincent, Please let him finish (*Interruptions*)

SHRI G. SWAMINATHAN : Why is he speaking about the Chief Minister of Tamil Nadu, former and present..(*Interruptions*)..

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Please sit down. Let him develop his point. What is there?

SHRI T.R. BALU: Sir, it is only in connection with the Budget.

SHRI T.A. MOHAMMED SAQHY: The Chief Minister of Tamil Nadu has violated the code of conduct (*Interruptions*)

SHRI M. VINCENT: Our Chie Minister has not violated the code ...(*Interruptions*)...

SHRI G. SWAMINATHAN: Unnecessarily the Hon. Member is speaking about Tamil Nadu politics (*Interruptions*)

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Please sit down. Mr. Swaminathan Mr. Vincent, please sit down. Please sit down. (*Interruptions*)...would you resume your seat? (*Interruptions*)...

Mr. Vincent Please sit down, Please sit down.

Mr. Virumbi Please sit down.

You are raising unhecessary hue and cry. Everybody has his own hero. So, I don't think you can object to it. Let him speak.

SHRI G. SWAMINATHAN: No Sir, He is talking of Tamil Nadu Budget; what was the shortege, what was the deficit.

SHRI M. VINCENT: He is not talking on Budget, Sir. (*Interruptions*)

SHRI MOHAMMED SAQHY: It is for the Chair to decide.

SHRI T.R. BALU: During the regime of Mr. V.P. Singh, self reliance and self-respect were held dear. But today these two have been mortgaged to the I.M.F. and World Bank. This is what the Budget reflects. Mr. V.P. Singh's government brought down inflation gave lot of concessions to the farmers extending priority to the agricultural sector. But I charge this government of having neglected the agricultural sector. This government could not contain inflation also. Here I wish to refer to three financial years-1963-64, 64-65, and 65-66. In those days there was inflation, there was a down all in production, agriculture suffered a setback, industries all sick, there was plan holiday and we had the threat of war with Pakistan looming large. The then Prime Minister, late Mr. Lal Babadur Shastry, requested the people to observe fast every Monday in order to meet the economic crisis. Even at that point of time our economy was not as bad as it is today because of mishandling.

Sir, some hon'ble Members criticised V.P. Singh government. It is their right. But I feel it my duty to point out the commendable achievements of V.P. Singh government. When Mr. V.P. Singh was in power, the GNP was 5.8%, but today during Congress rule it is just 2.5%. This is less by 3.3%: The GDP which was 5.6% has come down to 2.5% today registering a loss of 3.1%. Agriculture

Production which had increased by 2.6% at that time is just zero today: Food grain production has come down from 3% to 1.5% resulting in loss of 4.5%: The industrial production has come down rom 8.5% to-0.8% registering a loss of 9.3%.

Sir, I wish to highlight the callousness of the government. In 1991-92 plan out lay ,the Finance Minister allocated Rs. 1858 crores or agriculture. But in the revised estimate, this amount come down to Rs. 1735 crores which means that the government did not spend Rs. 123 crores from the original allocation. For water resources the allocation was Rs. 267 crores out of which only Rs. 217 crores were spent leaving Rs. 50 crores unspent. In the field of energy Rs. 1245 crores were not spent because, the original allocation was Rs. 135/4 crores but the revised estimate was Rs. 12.269 crores For industries and mines only 6.690 crores were spent the allocation of 7.117 crores setting said an amount of Rs, 427 crores. For transport Rs. 7537 crores were allocated while the revised estimate was only Rs. 7415 crores thus leaving an unspent amount of Rs. 122 crores. For science and technology they spent only Rs. 841 crores out of Rs. 961 crores setting sad Rs. 120 crores. For social service, Rs. 4957 crores were allocated, but the revised estimate was Rs. 4565 crores and the unspent amount was Rs. 392 crores. For rural development the allocation was Rs. 2702 crores while the revised estimate showed only Rs. 2356 crores thus leaving Rs. 346 crores unspent For miscellaneous puposes an emount of Rs. 673 crores were allocated which came down to Rs. 453 crores as a result of which Rs. 219 crores could not be spent. In tota. the amount allocated or the year 1991-92 was Rs. 42,969 crores; but in tee revised estimate this figure came down to Rs. 40 172 crores. Therefore, this government could not spend Rs. 2797 crores for the welfare of the people. So, I charge this a lazy government, a lame government Even for the current year they have allocated Rs. 48,407 crores for Plan Outlay.

But I ask, will this government be able to spend this money? If you go on this way, not being able to spend the money allocated for the purposes, how will there be industrial growth? How will there, be development ? How can you bring down inflation?

Mr. Vice-Chairman, Sir, if the government, is really interested in developing the country, the undveloped areas will have to be indentified and the allocated fund should be utilised for development. Should we fail to do this, I am afraid, we will continue to face such inflation and economic crisis. I wish to recall what happened during Nehru era. Pt. Nehru thought it fit to protect domestic goods against the foreign goods in the market, So, he levied heavy custom duty on foreign goods entering India. But what Mr. Manmohan Singh has done today ? He has brought down the custom duty from 150% to 110%. I ask , will it not hamper the market of domestic goods? By doing so the government stand to lose Rs. 2023 crores of revenue.

Sir, it is with pain I have to point out that only three things have registered some growth. The Economic research study conducted last year says:

> All major industries except beverages, tobacce and cement recorded a lower growth rate in April-September 1990-91.

So, there is no growth anywhere also. In producing liquor and tobacce this government is ahead. As a saving grace cement production has registered some prowth. No one would bother if liquor and tobacco production do not increase. But as a far as cement is concerned, everyone in the country would like the cement production to go high so that the price will come down. But what this government did? It increased the administrative price of cement before the Budget. And again they have levied excise duty on cement in the Budget. Is it proper to increase the price of a bas commodity like cement causing immense harm to the public?

Sir, the inflation has touched 11.8% Today the value of a rupee is just 8 paisa. This is because you have increased the price of all basic commodities. You have levied tax on inputs.

When you hike the price of coal,iron and cement, the whole country will be affected because, these are the basic materials necessary for the industries. This apart, the government have opened the floodgates of our industry to multinationals by allowing 51% foreign equity representation. The government have also decided to privatise 20% of the public sector units. All these decisions only reflact that the Budget has been prepared under the orders of the World Bank and I. M. F. The Finance Minister says that the public sector has not been earning profits and therefore he has decided to privatise a part of it. I want to ask him one thing. Let him touch his conscince and say whether the mutual funds of the nationalised banks are profits or not? I want to remind the House of one thing. The late Mrs. Indira Gandhi with the support of our leader Dr. Kalaingnar nationalised 14 banks. Our D. M. K. Members of Parliament supported the Congress for that. But today the

[Shri T. R. Balu]

government of Mr. Narasimha Rao is going ahead with privatisation. Mr Manmohan Singh wants even the private sector to invest in mutual funds. Won't the people of this country laugh at you for this? Having thrown the policies of Mrs. Indira Gandhi to the winds, are you not ashamed of calling yourself Indira Congress?

Sir, small savings have always been encouraged. Because, such savings not only help the middle class and lower class people but also help the nation in a big way. Out of these savings the states get soft loans for developmental works. But you have discouraged the traditional saving habits of the people. In 1991-92 states share in small savings was fixed at Rs 6865 crores. But in the revised estimate it came down to Rs. 5500 crores. So all the states put together got Rs. 1365 crores less. In 1992-93 the allocation to states is Rs. 5700 crores, that is Rs. 1165 crores less than last year. This is because the government knows for certain that savings will go down. Then why do you discourage savings depriving states of some considerable soft loans? Because Mr. Manmohan Singh knows that this plan is going to be a total failure.

Mr. Vice-Chairman, Sir today the salaried class people are facing lot of difficulties with a fixed income. Out of their meagre income they have been saving a little amount for the futuer of the family, for the future of their chidren. But the government are discouraging this saving instinct also. I have reasons to say this. Earlier, the salaried class could get some rebate on income tax by saving money. Under 80 CCA, in the name of NSS one could save upto Rs. 40,000; under 80 CCB, through mutual funds Rs. 10,000 could be saved; again under 80 L, that is by way of income through Bank interest, divident and income from UTI and N. S. C. another 13,000 rupees could be saved.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Please conclude.

SHRI T. R. BALU: Sir, the time is not over we have 40 minutes. I have not exhausted, Sir.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): You have not exhausted. But there is one more speaker.

SHRI T. R. BALU: Sir I will take some more time.....

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): There is no other speaker? Okay, Complete it.

SHRI T. R. BALU: Sir, in addition to the saving benefits they had Rs 12,000 as standard deduction and the non-taxable amount was Rs. 22,000. So, under the old scheme a person with Rs. 97,000 persona income did not have to pay tax because of the saving elements. But Mr. Manmohan Singh has done away with 80 C. C. A 80 C. C. B. and 80 L in the current Budget. He has given one concession by icreassing the net-taxable limit from Rs. 22,000 to Rs. 28,000 . After giving a benefit of Rs. 6000 on one side he has taken awoy the rest. of the benefits. Together with the standard deduction of Rs. 12,00. the non-taxable limit comes to only Rs. 40,000. A person with an income of Rs. 97,000 per year who did not pay any tax till last year will have to pay income tax for the balance of Rs. 57,000. At the rate of 20% for Rs. 10000 and at the rate of 30% for the 47000, the tax works out to 16,100 rupees. At the rate of 20% rebate on saivings he can get a tax exemption of Rs. 10000. After deducting this a person with Rs. 97,000 annual income needs to pay Rs. 61,00 as income tax as against no tax last year on the same income, . Sir, I wish to point out a glaring discrimination the government have done. For a businessman with a turnover of Rs. 5 lakhs the presumptive tax payable is Rs.1400. Even if we calculate the income at the rate of 20% it will come to Rs. 1 lakh So, for an income of Rs. 1 lakh you levy a tax of Rs. 1400. I have nothing against it. Small businessman need this concession. I only ask, why don't you be a little more generus to the salaried class? What happened to you socialism? I appeal to the Government to restore concessions under 80 C.C.A. 80 C.CB and 80 L and also increase the income tax limit. Yo forgot Pt. Nehru, you forgot Mrs. Indira Gandhi and you forgot socalism. Now you think you can manage the situation by going to the World Bank and I.M.F with a begging bowl.... (*Interruptions*)

THE VICE-CHAIRMAN : (SHRI BHASKAR ANNAJI MASODKAR): Please listern..

SHRI T.R. BALU: Sir, I want to say a word about black money. There is lot of black money with Congress people, with the capitalists and with Tatas and Birlas. Mr. Manmohan Singh said on the floor of this House last year that he would unearth black money soon. Now he has permitted NRIs to bring gold to India. He says he will put an end to smuggling and black money by allowing NRIs to bring 5 kgs of gold after every six months. I wish to make

a specific point. A custom duty of 15% is levied on gold brought to India. So, the cost of 5 kgs of gold and the custom duty put together will come to about 25 lakhs rupees depending on the dollar -rupee value. So, an NRI will need to spend Rs. 25 lakhs to bring gold to India.

THE VIE-CHAIRMAN : (SHRI BHASKAR ANNAJI MASODKAR): Mr. Balu, how much time do you need?

SHRI T.R. BALU: I need 40 minutes Sir.

THE VICE-CHAIRMAN: (SHRI BHASKAR ANNAJI MASODKAR): No, how much time you need further?

SHRI T.R. BALU: I may need another ten minutes, Sir.

THE VICE-CHAIRMAN: (SHRI BHASKAR ANNAJI MASODKAR): That is alright. Please go on.

SHRI T. R. BALU: Only very rich persons, millionarires will be able to bring gold this way. After they bring, there is security risk in India to carry it home from the airports and ports. Even if they manage to take home, the gold will be considered a non-productive asset by the government and a hevy rax will be levied on it. Because, Mr. Manmohan Singh will levy wealth tax on any non-productive asset valued at Rs. 15 lakhs and above. Since 5 kms of gold will cost around Rs. 25 Lakhs, wealth tax will be levied on it. I ask the ministers and Members of the Congress, whom you are trying to befool? Do you think that smugglers are so ignorant to fall in y our trap? If they bring the same amount of gold through underworld, they need to spend the same amount . But that will be unaccounted and they need not fear Mr. Manmohan Singh; nor they need to pay any wealth tax. So, I wish to emphasise that smugglers will take recourse to sumggling gold rather than paying custom duty and wealth tax. I ask the hon ble Member, Mr. Palaniyandi and other Congress friends, how much gold has come to India so far under this new scheme? It is a meagre 1950 kms via Madras. Thisis the gold that has come so far. Is it not ridiculous? Why dont you be more pragmatic in your approach? You will not be able to get anything from big industrialists like Tatas and Birlas because, they will not keep gold with them. They will invest money in the form of share and get away from paying wealth tax. Hon ble Member Shri Visvaiit P. Singh said, "It is the Budget for the poorest of the poor". This is an illusion the Congress has created. In a country with over 80 crores of population, about 90% people belong to middle class and lower class. But their interests have been neglected,. It is a Budget meant for the elite, for the privileged class. This is my charge.

Sir, in the election manifesto the Congress said that price would be rolled back hundred days. Could you roll back the price of a single commodity ? Could you atleast contain it ?

SHRI V. NARAYAN A SAMY Pondicherry) : Could you bring it down while in power ?

SHRI VIDUTHALAI VIRUMBI : We did not betry the people by giving false promises like you ....

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : Mr. Virumbi, Please sit down. Please st down (*Interruptions*)..

SHRI T.R. BALU : Sir, having the stability of the centre in mind, our leader Dr. Kalaingnar once welcomed Mrs. Indira Gandhi and said,

> "Welcome daughter of Nehru to Tamil Nadu! Establish a stable rule in India"

Our leader appreciated Madam Gandhi s programmes and innovative approaches in nationalising banks and abolishing privy purse and only with the support of D.M.K. in Parliament Indira Gandhi could nationalise banks.

Again, when the late Mr. Rajiv Gandhi visited Tamil Nadu, our leader welcomed him with the chociest epithets. Our leader called Rajiv Gandhi as "Nehru's grand child and Indira's herochild" and he was very much affectionate with Rajiv Gandhi during his life time. Unfortunately, Rajiv Gandhi was assasinated by terrorists. But the Congress people have put to death all the promises of Rajiv Gandhi. Now, you have not only buried Nehru's socialism and Indira Gandhi's nationalisation but also the promises of Rajiv Gandhi to roll back the prices which he committed in the election manifesto released by him when he was alive.

Mr. Vice-Chairman, Sir, Cauvery issue has been hanging fire for years. My respected leader Hon'ble Murasoli Maran is here. Hon'ble Members Mr. Palaniyandi and Mr. Narayanasamy are here. We all hail from Cauvery delta. We have no difference of opinion as regards Cauvery Water dispute irrespective of party affiliation. They all will agree with me. But why this government could not solve this problem ? (*Interruptions*)....

[*Shri T .R. Balu*)

A Tribunal was set up by V. P. Singh Government accepting the request of our leader Dr. Kalaingnar. The Tribunal gave an interim order. (*Interruptions*)...

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Please sit down. No interruption please.

SHRI V. NARAYANASAMY: The D. M. K. Government withdrew the petition that was pending before the Supreme Court.... (*Interuptions*).

SHRI T. R. BALU: Sir, he doesn't know the history (*Interruptions*)

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Mr. Balu, conclude now.

SHRI T. R. BALU: Sir, cauvery water dispute must be solved immediately. We, belonging to D.M.K. are agitated on this because, the centre has been dragging its feet all along. Since Cauvery is the lifeline of Tamilnadu, This dispute should be settled without further delay. Sir, the Tribunal in its interim order asked Karnataka to release 205 T.M.C. water to Tamilnadu every year. This order was confirmed by the Supreme Court which directed the centre to gazette the order. But what the Narasimha Rao Government did? Congress people never respect court orders. Now they say, they will abide by the court order in Ram Janma Bhoomi—Babri Masjid dispute. We have heard of crocodile tears. But here, in the House, we see how Congress people can* (*Interruptions*).

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Please let us concentrate on the subject now (*Interruptions*). Mr. Balu, Please don't go to other issues (*Interruptions*).

SHRI V. NARAYANASAMY: Sir, I am on a point of order. (*Interruptions*). He has said that the Congressmen are telling* (*Interruptions*).

SHRI V. GOPALSAMY: Why are you interrupting. (*Interruptions*).

SHRI V. NARAYANASAMY: Sir, that word has to be withdrawn. (*Interruptions*).

*Expunged as ordered by the Chair.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Please sit down. (*Interruptions*). No point of order. (*Interruptions*).

SHRI V. GOPALSAMY: He has only said that what the Congressmen are telling is untrue. That is what he has stated. (*Interruptions*). Mr. Narayanasamy is putting the words in to his mouth... (*Interruptions*).

SHRI V. NARAYANASAMY: That word is not used. (*Interruptions*). The word he used is, '*. ', it mean *, (*Interruptions*).

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Please sit down. I will see it.

Let him complete. Mr. Balu, Please conclude. (*Interruptions*).

SHRI T. R. BALU: Sir, I ask the Congress people and the Congress Ministers, who say that they will respect the verdict of the Court regarding Ram Janma bhoomi-Babri Masjid issue, what have you done regarding Cauvery Water dispute? Did you respect the Court order? You never respected any court verdict. When the Allahabad High Court debared Mrs. Indira Gandhi from contesting elections for six years, was the verdict respected? (*Interruptions*).

SHRI V. NARAYANASAMY: Sir, we are discussing the Budget. (*Interruptions*).

SHRI V. GOPALSAMY: There is nothing wrong in it (*Interruptions*).

SHRI V. NARAYANASAMY: Sir, we are discussing the Budget heer. (*Interruptions*).

SHRI V. GOPALSAMY: The Congress Party has no moral right to speak about courts and judges (*Interruptions*).

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Mr. Balu, Please conclude. Your time is over.

SHRI V. GOPALSAMY: Kindly allow him to speak for some more time.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): No, his time is over. (*Interruptions*).

SHRI DIPEN GHOSH: Sir, he is retiring. I think, this is his last speech. So, he should not be interrupted. (*Interruptions*).

SHRI T. R. BALU: I will come back. (*Interruptions*).

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : He has not accepted your suggestion. (*Interruptions*). Mr. Narayanasamy, let him conclude.

SHRI T. R. BALU : Since you did not respect the verdict of the Allahabad High Court. (*Interruptions*).

SHRI V. NARAYANASAMY : What he is saying is not relevant to the Budget. (*Interruptions*).

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MADODKAR) : Mr. Balu, you restrict to the Budget.

SHRI T. R. BALU : I am not going away from the subject. (*Interruptions*).

SHRI V. NARAYANASAMY : You are going away from the Budget. (*Interruptions*).

SHRI V. GOPALSAMY : Sir..... (*Interruptions*).

SHRI M. PALANIYANDI : You cannot talk about Rajivji. (*Interruptions*). They are conspirators. (*Interruptions*).

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : Mr. Gopalsamy, Please sit down. Mr. Narayanasamy please sit down. Let us have some relevant talk also (*Interruptions*). Please sit down (*Interruptions*).

SHRI M. PALANIYANDI : They are the conspirators. (*Interruptions*).

SHRI MOHAMMED SAQHY : You are all conspirators (*Interruptions*). Vazhappadi Ramamurthy (*Interruptions*).

SHRI V. NARAYANASAMY : He is not discussing the Budget..(*Interruptions*).

SHRI M. VINCENT : Mr.Vazhappadi Ramamurthy is not a Member of this House. His name cannot be taken here.. (*Interruptions*).

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : Please, sit down. Mr. Virumbi, Please sit down. ..(*Interruptions*)..Mr. Balu you please speak on the Budget. Don't raise controversial issues. (*Interruptions*)

SHRI T. R. BALU : You never respected the court verdict. Even is Ram Janam bhoomi-Babri Masjid issue, I know, you will take the name of court but bungle at last. You have buried not only the socialism of Nehru and the nationalisation polcy of Indira Gandhi but also the election promises of Rajiv Gandhi. (*Interruptions*).

SHRI V. NARAYANASAMY : He is not speaking on the Budget..(*Interruptions*).

SHRI M. VINCENT : The people of Tamil Nadu have rejected them.. (*Interruptions*).

SHRI MISA R. GANESAN (Tamil Nadu) : In the by-elections we won two seats.. (*Interruptions*)..

SHRI M. VINCENT : They are only two out of 237 ..(*Interruptions*)..See the ratio..(*Interruptions*)..

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) Mr. Balu, Please conclude..(*Interruptions*).

SHRI V. GOPALSAMY : Who killed Rajiv Gandhi..(*Interruptions*).

SHRI T. R. BALU : Sir, therefore, I assertively say that this Budget is not for the poor, it is a Budget for the privileged class. This government has betrayed the people...(*Interruptions*).

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : Please sit down ....(*Interruptions*).. Nothing is going on record (*Interruptions*). Please sit down..(*Interruptions*).. I am on my legs. Please sit down (*Interruptions*).

SHRI MISA R. GANESAN : *

SHRI V. GOPALSAMY : *

SHRI T.A. MOHAMMED SAQHY : *

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : Please sit down..(*Interruptions*)....

DR. NAGEN SAIKIA (Assam) : 6

SHRI M. VINCENT : *

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : Mr. Virumbi, have you exhausted yourself now....(*Interruptions*)..

*Not record.

SHRI V. GOPALSAMY : Since his term is getting over and he wants to be re-elected, he unnecessarily picks up quarrels with the DMK Members.... (*Interruptions*)..

DR. NAGEN SAIKIA : Sir, I have a small suggestion.. (*Interruptions*)..

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : Mr. Vincent, have you exhausted yourself....(*Interruptions*)..When I am on my legs you should not stand up.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : What is it, Mr. Saikia ?

DR. NAGEN SAIKIA : Sometime, when our House becomes very dull, we can take up the matter relating to Tamilnadu.

STATEMENT BY MINISTER

Re Implement of 1982 Tin Bigha Agree ment between India and Bangladesh

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO Mr. Vice-Chairman, Sir. Through an Exchange of Letters today, March 26, 1992 the Government of India and the Government of Bangladesh have reached an understanding regarding modalities for the implementation of terms of lease providing for right of passage for Bangladesh through the Tin Bigha Area. The arrangements will come into effect from June 26, 1992. Hon'ble Members would recall that the said terms had been worked out through the Exchange of Letters between the Foreign Ministers of the two countries on October, 7, 1992.

2. The Indo-Bangladesh Land Boudary Agreement signed in 1974 had provided for leasing by India to Bangladesh an area of 178 meters X 85 meters near 'Tin Bigha' in order to enable Bangladesh to have access to Dahagram and Angarpota. This was part of a package which allowed India to retain the southern half of South Berubari Union No. 12 and adjacent enclaves, and which allowed Bangladesh to retain the Dahagram and Angarpota enclaves. The Agreement of 1982 referred to above clearly stipulated that sovereignty over the leased area would continue to vest in India. The recent understanding between the two Governments has been worked out within this and other parameters of the 1982 Agreement.

3. Before finalising the modalities relating to the Tin Bigha Area. Government consulted the Government of West Bengal on serveral occasions and has kept in constant touch with them. Leaders of political parties were also consulted. We have taken into account the concerns and apprehensions expressed in certain quarters regarding the implementation of 1982 Agreement. Honourable Members will note, while going through the text of Letters exchanged (which are being placed in the Parliament Library), that full care has been taken to safeguard our interests.

4. I may further add that we remain committed to the full implementation of 1974 Agreement. Necessary steps to expedite progress in this regard are underway.

5. In putting into effect the Tin Bigha lease, India is fulfilling an international commitment. The lease is being implemented after all due processes of law have been completed in India. Government are confident that the steps and safeguards taken for the implementation of the lease will dispel all doubts misgivings and that it will receive full and unstinted cooperation of all concerned.

6. The resolution of the Tin Bigha question symbolises, above all, the will of the people of India to live together with Bangladesh in amity and good neighbourliness. Given time and goodwill, the Tin Bigha corridor which unfortunately generated much controversy and tension in the past will turn into a crossroads of friendship between India and Bangladesh.

THE VICE CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : It was already decided with the leave of the House that the clarifications would be taken up later. We shall proceed with the discussion on the Budget. If time permits, we shall take up the clarifications tomorrow.

THE BUDGET (GENERAL) 1992-93 – *Contd.*

SHRI RAJNI RANJAN SAHU (Bihar): Mr. Vice-Chairman, Sir, I rise to support the Budget for the year 1992-93. I would like to congratulate our Prime Minister, Narasimha Raoji and our Finance Minister, Manmohan Singhji for giving a new direction to our economy in this Budget. I don't want to blame any party or any person but at the same time we cannot close our eyes and ears from the realities.

(THE VICE-CHAIRMAN (Dr. Nagen Saikia) in the Chair.)

The realities are before us. There has been a crisis in the balance of payments and in the investment rates. We were rated even lower compared to Sri Lanka and Pakistan. Thus, there has been a com-